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***JPRS Report—***

**Near East &  
South Asia**

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# Near East & South Asia

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## REGIONAL

### Abu Iyad Comments on Palestinian, Egyptian, Syrian Relations

44040071 London AL-DUSTUR in Arabic  
14 Dec 87 pp 8-9

[Interview with Abu Iyad by Zuhayr Qusaybati: "Awaiting Syrian Decision to Start Direct Dialogue"; date and place not specified]

[Text] Were it not for the Reagan-Gorbachev Summit and the shouts of reprisal uttered by the Israeli prime minister following "al-Nisir" operation in Galilee, Arab relations would have remained the primary concern of the PLO in the post-Amman Summit stage. And while it appeared early on that the meeting of the two giants in Washington would not secure an international agreement for a comprehensive settlement to the Middle East conflict, omens of war piled up, announcing the birth of new developments. What if military confrontation were a direct Israeli-Syrian-Palestinian one this time? The first response is to shorten the old distances between the targets of the "Shamir" campaign, the PLO in particular. Otherwise, the adage "war is the gateway to peace" remains unsubstantiated in the current stage for many reasons, beginning with the "division" within the Shamir-Peres government and ending with Moscow and Washington's preoccupation with bigger issues in the wake of the INF treaty, Afghanistan, human rights, the Iraq-Iran war and the Gulf situation. Hence, talk about shortening Palestinian-Arab distances again forces itself as a PLO priority that gained momentum before the Arab summit, and indeed before the PNC session in Algiers, as indicated by the council's resolutions. The purpose, of course, is to amend and strengthen relations between the PLO and Arab capitals that are either concerned with or having influence over the Arab-Israeli conflict and a peaceful settlement through an international conference: Damascus, Amman and Cairo.

To the PLO, the Amman Arab emergency summit was a necessary opportunity to reaffirm the basic facts pertaining to the legitimate rights of the Palestinian people and an occasion to lay the groundwork for a conciliation with Damascus and to revive the dialogue with Amman under the umbrella of Arab solidarity. A few weeks after the summit, the release of some 'Arafat supporters in Syria was confirmed while the joint Jordanian-Palestinian committee was getting ready to hold a meeting in the Jordanian capital, postponed from last November 23 without political complications; and the PLO office in Cairo was reopened.

All the above are signs of relaxation according to PLO reassessment. But Palestinian redress is still alive with the addition of "however," which calls for waiting for conciliation to mature on the basis of solidarity and the Amman Summit resolutions that included the following paragraph:

"All Arab parties are called upon to adhere to the Arab summit resolutions stipulating the inadmissibility of any Arab unilateral solution to the Arab-Israeli conflict that does not include the achievement of total and unconditional Israeli withdrawal from all occupied Arab and Palestinian territory and enabling the Palestinian Arab people to exercise their inalienable rights in accordance with Arab summit resolutions, the 1982 Fez Summit resolutions in particular."

Because the new Amman resolutions did not stress the establishment of an independent Palestinian state, widespread speculations were making the rounds, along with the crisis over the English text, about what kind of agreements the Arab leaders reached. Nonetheless, the Arabic text was viewed as a gain for the PLO and, up until a few days ago, Salim al-Za'nun, PNC vice-chairman, was bringing back attempts to "skip" over the Fez and Rabat resolutions. In short, it became quite clear how much time and effort the process of clearing the air requires, particularly in reconciling the demands and views of the concerned parties with regard to the delayed peace conference. This same reality prompted Arab diplomatic circles not to rush coordination among the Arab parties in the conference so long as the peace date is still far away.

The conceivable gradual interest, until such time as the results of the superpower agreements reached during the December summit became clear, is to raise questions about what is required of Egypt, for instance, that was both absent and present in the Amman emergency conference. When the chairman of the PLO Executive Committee, Yasir 'Arafat, lauded the decision to reopen the PLO headquarters in Cairo, Salah Khalaf (Abu Iyad), Fatah Central Committee member, considered this step to be a positive one while hastening to add that some political issues required further in-depth debate between the two parties and demanded that Palestinian conditions in Egypt be rectified. So will this matter assume a political or a civilian flavor or did Abu Iyad have something else in mind?

In a telephone conversation with AL-DUSTUR last Monday dealing with Palestinian developments in the Arab arena, Salah Khalaf said: "We must deal with the constants, for relations with Egypt do not mean PLO recognition of Camp David." The Fatah Central Committee member went on to say: "With respect to Egypt's political line, it deals with the international peace conference, recognition of the Palestinian people's right to self-determination and their right to an independent state. All these are demands put forth by the Egyptians, but there has to be a document. Some are expressing fear of certain voices saying that restoration of relations means recognition of Camp David."

[Question] Are there any developments in the PFLP and PDFLP position on restoration of relations?

[Answer] The PFLP remains opposed to it and the PDFLP has adopted the same, albeit, less intense, position. There is a Palestinian agreement, however, to adopt resolutions by a majority on certain issues, especially since the entire Arab situation leaned after the Amman Summit toward restoring relations with Cairo.

[Question] Does the 6 December visit of PNC vice-Chairman Salim al-Za'nun to Cairo qualify under this framework?

[Answer] No decision was made regarding al-Za'nun's (Abu al-Adib) visit to Cairo. We were surprised by it because it had been decided that a PLO Executive Committee delegation, headed by Mahmud 'Abbas (Abu Mazin) go to Egypt on 9 December. Be that as it may, Abu-al-Adib's visit helped to clear up some positions.

It is noteworthy that the PNC vice-chairman met with Usamah al-Baz, director of Egyptian President Husni al-Mubarak's office for political affairs. After their talks, the PLO representative in Cairo, Zuhdi al-Qudra, described Palestinian-Egyptian relations as "strategic and special." On the other hand, PNC chairman Shaykh 'Abd-al-Hamid al-Sayih had announced that the PLO was bound by the Amman Summit resolution that deemed diplomatic relations between any member of the Arab League and the Arab Republic of Egypt as a sovereign act determined by each state in accordance with its constitution and laws.

[Question] But will not relations with Cairo have an effect on Syrian-Palestinian conciliation efforts?

Salah Khalaf told AL-DUSTUR: "What applies to Syrian relations with Jordan may be applied to the PLO and to 15 Arab states that have restored relations with Egypt." The Palestinian concept of Arab solidarity is the more universal principle that must guide any future political coordination in which the PLO may participate. Therefore, "we are calling for Palestinian-Jordanian-Syrian coordination, and let it be with Egypt as well, should Damascus agree," as the Fatah Central Committee member, Abu Iyad, put it.

After Cairo comes Amman, the second Palestinian stop on the coordination circuit, where no notable developments have occurred in the new Jordanian-Palestinian dialogue, if you will, that got underway during the extraordinary Arab sumit when King Husayn met with Yasir 'Arafat. Whereas some sources expected another similar meeting to be held and that PLO Executive Committee chairman to attend the joint Jordanian-Palestinian committee meetings in Amman (between the 12th and 13th of this month) after the date had been postponed, Abu Iyad tacitly ruled out the idea of an 'Arafat visit to Amman, saying: "Abu Jihad is the Palestinian chairman of the joint committee and this committee is the one that is primarily concerned with monitoring support for people's steadfastness inside the occupied territory."

Observers have noted the persistent Jordanian silence toward the possibility of reviving some kind of joint coordination with the PLO where certain officials circles had expressed their optimism in this regard. At any rate, the impression Arab sources formed was that Amman, that is shouldering, in the person of King Husayn, the task of monitoring the implementation of the recent Arab summit resolutions, prefers to take its time in following up the dossier of political relations with the PLO. The extensive activity King Husayn undertook during his quick shuttles between Damascus and Baghdad and from there to Cairo did not conflict with this orientation. He visited Riyadh last Monday when it was rumored that he discussed with the custodian of the two holy places, King Fahd Bin 'Abd-al-'Aziz, prospects of peace in the Middle East, in addition to developments in the Gulf region.

Observers of Palestinian relations say that one must wait and see how the post-Washington summit international winds will blow. Perhaps some regional indications with respect to a Jordanian-Palestinian dialogue will loom when the two parties meet in Amman on the 15th of this month.

One last axis that recently witnessed an outburst of acitivity aimed at clearing the air is the quiet rapprochement between the PLO and Damascus after an indirect dialogue that began last September. It is generally known that the Amman Summit, which did not include a conciliation meeting between Syrian President Hafiz al-Asad and PLO Executive Committee chairman Yasir 'Arafat, did not harbor prospects of ending the rift between them, as suggested by Syrian Foreign Minister Faruq al-Shar' at the conclusion of the Arab summit. As for the most salient signs of quiet rapprochement between the two sides, they were later embodied in their demands to end the war of the camps in Lebanon, something reemphasized a few days ago by the Syrian vice-president, 'Abd-al-Halim Khaddam, when he received Colonel Abu Musa, leader of the Fatah dissidents. Observers add one important sign contained in the joint Syrian-Rumanian official communique issued at the heels of the Asad-Ceausescu talks in Bucharest early last month which supported holding an international conference for peace in the Middle East with the participation of the concerned parties, including the PLO.

When PNC chairman Shaykh 'Abd-al-Hamid al-Sayih announced in Amman (29 November) that reform measures for forming a new Palestinian parliament were imminent, many thought that a link existed between such measures and some kind of a solution to settle the situation of Fatah and the Salvation Front dissidents in order to achieve a Syrian-Palestinian conciliation. But the Front lost no time in condeming the opening of the PLO office in Cairo, viewing this step as proof of "forsaking the national cause."

It was around these developments and prospects of a dialogue between the PLO and Syria that AL-DUSTUR continued its dialogue with Salah Khalaf. First, he emphasized that "the fact that conciliation with Damascus is not linked to Shaykh al-Sayih's statements is due primarily to agreements reached during the recent PNC session in Algiers. Special meetings will be held for this purpose—a new Palestinian parliament—next month." Fatah Executive Committee member Salah Khalaf went on to deny the existence of any conditions laid down by Damascus, drawing attention to the exchange of messages: "We are still waiting for a Syrian decision to start a direct dialogue and we are hopeful. After President al-Asad returned from Rumania, the leadership in Damascus met to evaluate Syrian-Palestinian and Syrian-Iraqi relations."

[Question] And how is it possible to read the Salvation Front communique on the PLO office in Cairo? Where does the front stand on dialogue with Damascus and was that part of the Syrian messages and questions?

[Answer] The Salvation Front does not want Syrian-Palestinian rapprochement. Questions the PLO received from Damascus did not go into the front's situation. The only problem is the dissidents who, a long time ago, were told that the doors were still open for their return to the PLO. At any rate, we did not discuss this matter with the Syrian side.

[Question] News reports alluded to efforts being made to reopen the PLO office in Beirut.

[Answer] Things have not come to this yet. What we need to do first is to reshape relations with the Lebanese parties, including the Amal Movement. Efforts to amend relations are actually underway and, occasional obstacles in the way of implementing the agreement to end the war of the camps notwithstanding, we see some good signs.

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## EGYPT

### Khalid 'Abd-al-Nasir's Involvement in Recent Unrest Discussed

45040036 London AL-TADAMUN in Arabic  
12 Dec 87 pp 9-11

[Article by Ihsan al-Bakr: "An Egyptian Politician tells Khalid Jamal 'Abd-al-Nasir: 'For Your Sake and Your Father's Sake you Should Go Back to Egypt to Defend Yourself'"]

[Text] An accused is innocent until proven guilty according to the law books. Khalid 'Abd-al-Nasir, who is on everyone's lips and who is facing accusations, is innocent until the Attorney General says in his expected statement

that he is guilty on the grounds that he withheld information on the "secret organization" which has arbitrarily assumed for itself the character of "Nasirism" and which carried out operations against staff members of the American Embassy and Israeli Embassy in Cairo.

Apart from the legal aspect of the case, what the observers fear is that there may be more to the case than meets the eye and that there are hands that seek to undermine Egypt's stability, sabotage its democratic process, and put President Husni Mubarak in a direct and sharp conflict with the "Nasirites" as a group and as a movement. Otherwise, why the sudden disclosure of the case and the pointing of fingers at the late Egyptian president's son, despite the fact that the attorney general issued an order banning discussion of the case until the investigation had come to a conclusion?

Ihsan Bakr in Cairo is trying to shed light on the secrets of this case and to answer many questions that are currently being asked in Egyptian political circles.

In a few days' time the Attorney General in Egypt will announce the existence of a "secret organization" that has chosen Nasirism to carry out its terrorist actions and has been able to implement three successful operations against staff members of the American Embassy and the Israeli Embassy in Cairo. The seriousness of the case, which will result in strong repercussions in Egyptian and Arab circles when all its details are revealed, lies in the fact that all the accused are Egyptians. Some of them have occupied sensitive positions and one of them is, most probably, Dr engineer Khalid 'Abd-al-Nasir, late President Jamal 'Abd-al-Nasir's son. So far it is prohibited to publish facts surrounding the case in accordance with an order by the attorney general in the interest of investigation. Most of the accused are detained and the principal character in the case, believed to be Khalid Jamal 'Abd-al-Nasir, is not in Cairo now. Some political circles say that it was the CIA that has uncovered the dimensions of the secret organization and passed the necessary information to the Egyptian authorities so as to enable them arrest the organization's members. According to available information, Libya stood behind the organization and provided financing in millions. The aim was to undermine stability and security in Egypt.

It is also said that fingers are being pointed at Khalid Jamal 'Abd-al-Nasir. If he was not actually involved in action, he at least knew the organization's members and its objectives and withheld information and failed to report the matter to the authorities. It is worth noting that Khalid Jamal 'Abd-al-Nasir and his wife and children now live in Yugoslavia after it has been reported that the Yugoslav authorities have granted him political asylum for fear of reprisal [against Khalid 'Abd-al-Nasir] by the Israeli Mosad.

About 2 months ago a telephone conversation took place between Khalid Jamal 'Abd-al-Nasir, who was then

staying in London, and a distinguished Egyptian political personality. The late president's son asked the leading Arab politician about his views regarding what is being said and rumored. The following dialogue ensued between them:

- The Egyptian politician: Why are you now in London?
- Khalid 'Abd-al-Nasir: For some personal business.
- Is it true that you have emigrated from Egypt to London?
- Absolutely not true.
- It is being said that you have fled from Cairo to London.
- This is not true. I left Cairo in a normal manner and like any other Egyptian citizen leaving his country. Nobody stopped me.
- Have any charges been made against you?
- Absolutely no charges have been made against me and so far nobody asked me anything.
- If your name appears on the list of those accused will you come to Egypt?
- I believe that if I am asked to come then I will come. But I would like your opinion and advice.
- Here the Egyptian politician told him: "I cannot imagine the son of Jamal 'Abd-al-Nasir, if accused in a certain case, not returning to Egypt in order to face the charges and place himself at the disposal of the judiciary. For your sake and for the sake of Jamal 'Abd-al-Nasir you should return as soon as you are officially summoned to place yourself at the disposal of the authorities...and justice will take its course."

The Egyptian politician concluded the telephone conversation with Khalid Jamal 'Abd-al-Nasir by saying:

"You must realize that leadership cannot be inherited. Don't imagine yourself to be Rajiv Gandhi or that you can replay Jamal 'Abd-al-Nasir's role. If you choose to enter the arena of politics then you must bear the onus of politics and their requirements."

This was 2 months ago. It was then only rumored that Jamal 'Abd-al-Nasir's son was involved in a political case and that he escaped or it was made easy for him to leave Egypt so that he would not cause embarrassment for the regime. After some weeks had passed it was reported that Khalid 'Abd-al-Nasir left London secretly and went to Yugoslavia where he asked for the "right of

political asylum" both for himself and his family because he was afraid of being pursued by the Israeli authorities and of reprisal by Mosad, the Israel intelligence, in order to liquidate him.

So far no official Yugoslav statement was issued confirming this event. Also no Egyptian official statement was issued regarding the truth about Khalid 'Abd-al-Nasir's role. The authorities have been content with maintaining silence, thus giving the attorney general the opportunity to investigate the case and to declare its factual findings. Reportedly this will be done in the next few days.

Colleague Makram Muhammad Ahmad, Cairo magazine AL-MUSAWWAR chief editor, suddenly came out with an editorial entitled "Nasirism and Violence" strongly attacking the Nasirite groups and accusing some of their factions of collaborating with Colonel Mu'Ammar al-Qadhafi in order to undermine Egypt's stability and security. He based his attack on factual findings in which the attorney general revealed the downfall of a secret organization that has chosen to hide behind Nasirism in order to carry out terrorist actions and to destroy a number of economic establishments in Egypt. He noted in his article that the next few days will see a second statement by the Attorney General regarding a second Nasirite organization that has been able to implement three successful operations against those working in the American and Israeli embassies in Cairo. AL-MUSAWWAR chief editor then said that the charges will involve one of the sons of the late leader, Jamal 'Abd-al-Nasir's, without referring to Khalid by name.

In his article the AL-MUSAWWAR chief editor called on the public prosecution to order the arrest of the accused and to bring him to Egypt under escort because it is not in Egypt's interest to allow an accused, even though he may be the son of a former president, avoid being prosecuted for a crime that constitutes a violation of the law. It is also not in the interest of the family of the departed leader that the man [Abd-al-Nasir], who has become an important historical figure, should be responsible for the actions of one of his children, one who was carried away by his foolishness and broke the law.

AL-MUSAWWAR chief editor launched a vicious attack against "Nasirist leaders" for maintaining silence and failing to tell the truth, having seen the left ironing out all its differences with the Nasirite ideology regarding class struggle, the role of religion in society, and the relations between nationalism and internationalism. He also accused them of maintaining silence and even of collaborating with Colonel al-Qadhafi when he imagined himself to be the protector of Arab nationalism.

Two days after this article was published the newspaper SAWT AL-ARAB published several articles strongly attacking Makram Muhammad Ahmad, accusing him of political opportunism and of having switched from being a Nasirite journalist during the days of Haykal and

'Anbd al-Nasir to a Sadatist journalist so that he would become chief editor of a national newspaper. The paper wondered: Since the chief editor of AL-MUSAWWAR has demanded that the public prosecutor issue an order to arrest and to arraign the accused Khalid Abd-al-Nasir, why did his conscience fail to move him toward asking for reopening investigation into the incident of the death of Lieutenant General Ahmad Badawi and a large number of the Egyptian army's most prominent commanders, heroes of the "October war", an incident which deputy 'Alawi Hafiz cited? Why does he not demand reopening investigation into the death of Lieutenant General al-'aythi Nasir, former commander of the Republican Guard? Why does he not demand investigating the circumstances of the martyrdom of the prominent Egyptian nuclear scientist Yahya al-Mashadd, who was a national treasure and was assassinated by Mosad in a European capital? Why does he not ask for the arrest and arraignment of the so-called iron woman, Tawfiq 'Abd al-Hay, and scores of those who have plundered Egypt, stole funds, and robbed the Egyptian people?

The paper said: "Let legitimacy and law take their course. Nobody is above the law and nobody is above accountability, but our respect for the law will not prevent us from expressing our views toward the Zionist enemy, his aggression, and his terrorism. Nor will it prevent the battle from widening and involving all the Arab nation, the third world, and even the whole world. This will be according to our capability and the capability of the sons of the Arab nation whose resistance against Israel and the United States is raging." The paper added: And because Nasirism was essentially a patriotic and nationalist action against colonialism and Zionism it never ceased to be the target of attack. The day will come when the wave will recede. So let AL-MUSAWWAR editor note that it is Arab legitimacy that will remain and that Nasirism and the Nasirites are in its heart and that the campaigns of the past 17 years against leader Jamal 'Abd-al-Nasir and his family have been futile despite the millions of dollars that have been allocated for this objective.

Concluding its article, the paper warned: What we fear most is that AL-MUSAWWAR chief editor's article might be a step similar to that which signaled what happened following his article about martyr Sulayman Khatir. Perhaps his recent article is the green light to get rid of Khalid 'Abd-al-Nasir.

In another article, SAWT AL-'ARAB said: We agree with AL-MUSAWWAR's chief editor if he means that Jamal 'Abd-al-Nasir's paternity bestows no right to political inheritance. But what Makram Muhammad Ahmad means is something different; it is akin to political isolation of Jamal 'Abd-al-Nasir's children, divesting them of the right to political action which is guaranteed for everybody, and imprisoning them behind the walls of 'Abd-al-Nasir's residence in Manshiyat al-Bakri.

The paper continued: Khalid 'Abd-al-Nasir is not merely Jamal 'Abd-al-Nasir's eldest son; he is not only a professor at Cairo university. Rather he is a "Nasirite struggler" in the full sense of the word. Khalid did not inherit Nasirism among the things he inherited from his great father. But he has observed, he thought, and he made his choice. At a Nasirite celebration at the Lawyers Association in January 1984 he declared for the first time that "destiny has honored me to be Jamal 'Abd-al-Nasir's son. But I have chosen with my own free will to be a son of Jamal'Abd-al-Nasir's principles."

SAWT AL-'ARAB added: Khalid is not just a son of Jamal 'Abd-al-Nasir, tall like him, and possessing his personal characteristics. He is also a national struggler of a high caliber; he has the right to look forward to playing a political role. The question of Khalid is not a personal one; nor is it the question of a journalist demanding that 'Abd-al-Nasir's son be summoned from Yugoslavia in order to appear before the prosecutor. Indeed the question goes beyond that; it concerns the Nasirites and all the nation before it concerns 'Abd-al-Nasir's family.

In a few days' time Attorney General counselor Muhammad 'Abd al'Aziz al-Jundi will make his decision on this major case and questions will be asked.

Will Dr Engineer Khalid Jamal 'Abd-al-Nasir remain in his voluntary exile in Yugoslavia or will he decide to return to Egypt immediately in order to face the charges made against him? There is a basic issue here which must be pointed out. It concerns the fact that internal political forces together with known external political forces are trying to use Khalid Jamal 'Abd-al-Nasir's case as an excuse to direct new attacks on Jamal 'Abd-al-Nasir's legacy.

These forces will try to make the case appear as if it is a battle between legitimacy in Egypt, represented in President Husni Mubarak's regime on one side, and Nasirite factions and the nationalist left in Egypt on the other. In defending Khalid Jamal 'Abd-al-Nasir certain Nasirite forces will try to interpret bringing the case to a head as yet another major battle directed against Jamal 'Abd-al-Nasir's person and heritage rather than to deal with the case within its real context.

There remains some political remarks that must be placed on record:

1—The practical experience of President Husni Mubarak's regime during the past 6 years has confirmed that law rules and that nobody in Egypt, whoever he may be or whatever his position is, is above the law. Nobody is above accountability. This was demonstrated at the beginning of President Husni Mubarak's era when the case of 'Ismat al-Sadat, brother of late President Anwar al-Sadat, came to the surface. At that time President Mubarak left the case entirely to the Socialist Prosecutor's department and to the rule of the law. He announced that he does not interfere with the work of

the judiciary. Some "Sadatists" saw this as a blow by the new regime to al-Sadat's regime. At that time the leftist forces also exploited the case in order to deal deadly blows to the experiment of late President Anwar al-Sadat's rule. Meanwhile, the Egyptian regime remained distant from these battles and gave the judiciary all the mandates and powers in order to exercise its tasks without any interference. Subsequently everybody realized that President Mubarak is indeed bound to what he says.

2—When he assumed the presidency President Husni Mubarak said that his name was Muhammad Husni Mubarak and not Jamal 'Abd-al-Nasir or Anwar al-Sadat. Since the beginning the man was anxious to maintain that Egypt has a nationalist leadership that must be respected, that 'Abd-al-Nasir was a national leader who has accomplished major achievements for his country, and that Anwar al-Sadat too has accomplished major achievements for his country. Therefore, 'Ismat al-Sadat's case does not mean that the present Egyptian regime is denigrating President al-Sadat's era, just as bringing up the case of Khalid 'Abd-al-Nasir should not mean a detraction by the regime from the person and status of late President Jamal 'Abdal-Nasir.

3—Leadership cannot be inherited. Jamal 'Abd-al-Nasir was truly a nationalist Arab and Egyptian leader and one of the world's most prominent leaders but such leadership does not necessarily apply to his sons. Therefore, there should be a total differentiation between 'Abd-al-Nasir, the commander and the leader, and the person of Khalid 'Abd-al-Nasir.

4—There should be total discrimination between fedayeen actions the Egyptian nationalist forces carried out during the British occupation of Egypt in the forties and certain actions carried out against Americans and Israelis in Egypt by some of the groups belonging to the Nasirites. During the forties and the early fifties there was a British occupation army occupying the Canal and there was the king and the corrupt regime. For this reason the nationalist forces participated in the revolution against the occupation camps and harassed the soldiers and symbols of British occupation in Egypt. Hence the fedayeen actions in the canal zone and the campaign of assassinations against soldiers and officers of the British occupation army.

But now in the eighties the situation in Egypt is different. There is no longer British occupation and no longer a corrupt monarchy. Rather there is a nationalist democratic regime fully representing Egyptian legitimacy. Therefore, going after the staff of the American and Israeli embassies in Cairo cannot be in the category of national struggle against the forces of injustice and oppression.

Although we fully recognize the United States' role in supporting Israel and are convinced of all what Israel represents, of the danger inherent in its very existence,

and of its expansionist and terrorist plans against Egypt and the Arab world, we cannot accept the legitimacy of the recent actions that took place in Cairo. Confronting Israel and its cancerous plans in the region will not be accomplished through attacks on one or two of its embassy staff in Egypt. Rather confronting Israel and Zionism must be carried out in another place which everybody knows, namely inside the occupied Palestinian territory.

What happened in Egypt recently falls within the category of foolish actions. It puts the nationalist regime in Egypt in an embarrassing situation and threatens the security, stability, and safety of Egypt which is one of Israel's major objectives. Therefore, in the final analysis the recent actions serve the Israeli objectives.

5—Likewise, we cannot honestly lump Khalid Jamal 'Abd-al-Nasir and the actions attributed to him together with the black terror group which perpetrated acts that alarmed Egypt and threatened its security. They are two different things. But at the same time we cannot accept what Khalid 'Abd-al-Nasir has done or what he has allegedly done. What happened was inappropriate and wrong. It was a blow dealt to the nationalist Egyptian regime which all the Egyptians support.

6—Courage and responsibility call upon Khalid 'Abdal-Nasir to come to Egypt immediately in order to face all that he has been charged of and to answer the accusations. He knows fully well that the final word in Egypt is for the law and the judiciary. Nobody is above the law however lofty his position or high his lineage may be.

What will the attorney general's judgement be in his opening statement.

Will Khalid Jamal 'Abd-al-Nasir return to Egypt in order to defend himself against the accusations which some people are trying to level against him and against the Nasirites?

What will the government's position be toward Libya's involvement — if that is true — in financing the elements that carried out these terrorist operations?

A fourth question: Will those scheming to create a clash between Nasirism as a trend and the government succeed?

President Husni Mubarak was never known to leave any doubt that he will let justice have the final say and that justice will be both the ruler and the rule. The other matter remains in the hands of Khalid Jamal 'Abd-al-Nasir and the position he will adopt before the people and history.

**ISRAEL****NAHAL Encampments Turn to Industry**

44230005a Tel Aviv BAMAHA in Hebrew

2 Dec 87 pp 46-47

[Article by Sarit Rozenblum: "Where Do They Put Their Eggs"]

**[Text]** In the Jordan valley, on the fringe of the Biq'ot-Mahule highway, two hours traveling distance from Tel Aviv is a sign: "Nahal-Maskiyot." A quick glance at the desolate expanses will not suffice to see this fertile spot, settled, at the end of a twisting dirt road and hidden from the highway.

There are a few white dwellings, courtyards green with grass containing young banana trees, a vegetable garden, a lapidary shop and a modified sheep pen.

The quiet and tranquility that prevail here make one forget, for the moment, that this is a military settlement and not a sanatorium. Young people walk the paths, stopping now and then to watch the Golani soldiers running on the adjacent hills.

"Maskiyot" is one of ten settlements in which an industrial extension was recently installed as one of its manufacturing branches.

We arrived there accompanied by the head of the NAHAL settlement branch, Dani Shternfeld, in order to get a close-up look at the industrial work being done there and at the adjustment of the NAHAL members to an idea that appears to contradict the notion of agricultural fulfillment.

Ra'anana, the company commander, says that we came at a bad time since the soldiers are preparing for a deputy battalion commander's formation. Because of that formation, almost all work at the settlement has ceased.

Nevertheless a brief tour of the manufacturing branches of the settlement brings home how day-to-day work is conducted in the industrial branch of Kibbutz Harov, which operates in the settlement. They are busy assembling air valves for use in irrigation systems. Instead of normal workers, five soldiers are to assemble a hundred valves a day. Normal work hours in Maskiyot are 6:30 AM to 4:00 PM.

The coordinator of the miniplant, Guli Mendelzus, says that if they do not finish the daily quota, they continue working in the afternoon, sometimes up until 8:00 PM. Shternfeld is satisfied: "One of the good things that we managed to accomplish through this work is getting the soldiers used to accomplishing missions that the group set itself."

According to Mendelzus, the settlement's soldiers love to work in the plant despite the hard work: "they love to sit together, to work together. Here the work has to be done rather quickly, and there is a lot of satisfaction when it is done. Initially they assembled valves in the Kfar Harov kibbutz as well, and the extension in Maskiyot was only experimental. When they saw that expectations were being fulfilled and that the experiment had succeeded, they transferred the valve assembly entirely to us," he says, obviously proud of his unit.

From the miniplant we moved on to the small sheep pen opposite. A week-old lamb, who was investing ceaseless effort in finding food on the ground, stole the show. The big commotion around him did not seem to affect him at all. Nor the fact that we were trying to photograph him and not succeeding because he was constantly in motion. At his age they are apparently not yet aware of the benefits of media exposure. Today there are about 50 sheep in Maskiyot.

'Ido Lahav, the sheep pen noncom, sees serious potential here for development: "the sheep pen sector for meat production is today considered one of the most successful in the agricultural economy because all of the meat is local. Here in the area are suitable conditions for raising sheep, especially the large pasture areas in which they can graze almost all year."

Gal Sason, the settlement coordinator: "if you compare what was here in the beginning to what is here today, you see that people like to work here. In building the new sheep pen, for example, we were very pressed because of the approaching rain. People worked on their own initiative from morning till twelve o'clock at night. Sure, there are jobs that they do not like, but we try to provide variety. Maskiyot is a settlement with a relatively large number of manufacturing sectors, and it is therefore easy to rotate workplaces with high frequency almost daily."

Sason speaks sharply against what he calls "the transformation of NAHAL from a NAHAL of tomatoes to an industrial NAHAL."

"If we decide to make money, we could set up a bank here. We do not treat the settlement as another plant in the economy. In the vegetable garden we have sure crops for which we know there is a good market and experimental ones that may turn out to be so. We will try and see if we succeed, good; if not, at least we enjoyed ourselves. What is really important to me is the realization of the principle of agricultural preparation. Industry should not come at the expense of agriculture." Not everyone, it turns out, agrees with Gal Sason.

'Ido Lahav: "If we think about the future kibbutz to be erected on this spot, a vegetable garden will not be able to serve as its only manufacturing branch. Enough farmers can break the market with their produce, therefore

the vegetable garden will not be the most profitable sector. There is a gap between what a kibbutz needs and what we want to do and to learn."

The head of the NAHAL settlement branch, Dani Shternfeld: "with the broadest agricultural territories, the kibbutz has 8,000 dunams. Today it is impossible to live from agriculture. It is not healthy to put all your eggs in one basket. That is dangerous."

Gal Sason talks about the Rotam settlement, the next object of our attention, as an example of the damage that industry causes: "In Rotam they consider the plant the most important thing in the settlement. When you get up in the morning, the first thing you hear is the noise of the plant. One man works with the animals, two in the vegetable garden and that is it. The other branches have disappeared."

Shternfeld: "we do not require all branches to be profitable, but industry is important. We intend, as much as possible, to avoid outside work, so that we will not have to travel to Kibbutz Geva. There the soldiers of the settlement must also deal with things that are unpleasant for us. A member of a kibbutz today must make a profit; otherwise the kibbutz will fail."

The debate gets hotter. Gal does not give in nor does Shternfeld.

On the way to Rotam, Shternfeld says that he understands the NAHAL members: "They love agriculture because it is the first time that they get to do that sort of work. For them, working with living things is a new experience. If we do not direct them to the sectors that we need from an economic point of view, they will work only with plants and animals. Because they are a part of the military framework, we try to divide the work in the right proportions. If we do not teach them today that their kibbutz must make it on its own, they will come to a kibbutz in the future and face the same problem."

Ten minutes later we stood at the entrance to Rotam. In contrast to what was promised us in Maskiyot, there was no factory noise coming from the kibbutz (afterwards we found out that we had arrived during the change of shifts and the machinery was not operating).

As in Maskiyot, here, too, the dominant color was the green of the grass and plants. To the right of the main path was an orphaned basketball court. To the left, the office of the company commander. "Apart from housing," says Shternfeld, "the soldiers of the settlement built everything themselves." When we arrived, everyone was at work and the place seemed abandoned. The manufacturing branches there include a plant for the production of mosaic tiles, for resurfacing public buildings, a date grove, a vegetable garden, a barrel plant, etc.

Shternfeld: "One of the main problems we faced was that of employment for the settlement's soldiers. Preference was given to creating sources of employment within the settlement itself we do not want the place to become a work camp that people only sleep in." In keeping with that approach, the kibbutz coordinator, who originated the idea of industry in the settlement, turned to Kibbutz Yagur and asked them to transfer an extension of their mosaic tile plant to Rotam. The settlement department of the Zionist organization set up the structure and, in cooperation with Kibbutz Yagur, the machinery was purchased. It was agreed at the outset to work in two shifts, but for about three weeks they worked only one because there was not enough demand for the product. As demand increased, the NAHAL members moved, as agreed, to two work shifts the members of Rotam working at one and the members of Maskiyot and Bitronot at the other.

Ra'anana, the company commander: "As company commander what was particularly important to me was that the group satisfy the demands upon them and not leave the plant until the quota was met. From my viewpoint a settlement has no right to exist without a plant. Introducing industry to the settlement is the main thing, because that is where the money is." Ra'anana is aware that the work is hard and exhausting. During the first few days they stayed at the plant until 7:00 PM for lack of knowhow. Afterward they adjusted and usually managed to finish by 2:30 in the afternoon. Today they work two shifts, each one seven hours.

The influence of the adopted work was, at times, positive. Ra'anana: "The enormous pressure at the plant in the beginning created a unique social solidarity. We were witness to a phenomenon where on the first day they returned from home, quickly got into their work uniforms and immediately ran to the plant to help the workers. There is no doubt that the plant was healthy from a social point of view: I think we were successful in getting the soldiers to understand the idea of industry. Of course they are not entirely clear about the force of the order, but when they see the results, that is, the money, they are satisfied."

The income from the work at the plant is transferred to the settlement department and serves the settlement itself. Shternfeld: "The development of the settlement is financed from the profits of its soldiers. The profits serve to develop the place and expand it—we do not want them to buy steaks with the money."

About the work itself, the company commander says that in comparison to it, any work in which the NAHAL members will be involved in their future lives will seem easy.

A visit to the plant really brings home all that was said before about the work there: on both sides of the long machne stand about 10 soldiers, bent over, busily

involved in careful sorting of the small mosaic tiles. They insert them into square forms, turn them right side up and eliminate the defective ones.

Even for Eric Einshtein, playing in the background, it was hard to overcome the deafening noise of the machine. Just a few seconds are enough to convince you of the difficulty of this work. Even so, most of the soldiers in the kibbutz agree that a manufacturing branch is a must for the settlement enterprise.

Ushra Sason, a female NAHAL member in Rotam: "To establish a settlement economically there is no choice but to make use of industry. Most of our complaints are not against the idea itself but about the particular plant set up in Rotam, because of the work there on the second shift. Just recently the NAHAL commander visited here and we had an opportunity to lay out all of the problems. The answer we got back was pretty much what we expected—'There is nothing that can be done about it'—and that is really true. The problem is in the existence of the second shift, which seriously affects our social life." Ushra relates that the kibbutz was pressuring the NAHAL members on the work issue: "They told us that if we would not do it, they would give it to the Arabs. After all the income goes to the state, and that is what is important."

Ha'im, the plant noncom: The income that industry brings to the settlements does not conflict with any of our ideals. We came here to establish a settlement and because that settlement must be self-sustaining there is no choice but to diversify into other sectors besides agriculture."

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**Life In Typical Refugee Camp Portrayed**  
*44230005b Tel Aviv BAMAHAINE in Hebrew*  
*2 Dec 87 pp 16-18*

[Article by Gil Sedan: "One of 28 Refugee Camps on the West Bank—For Example, the Tul Karem Camp"]

[Text] We wanted to look behind the scenes at a refugee camp, to get to know it as it is without all the political fanfare. But what they showed us was a heavy dose of politics, even if somewhat dressed in the garb of routine day-to-day problems.

It is apparently impossible to live in a refugee camp without living the Arab-Israeli conflict. A camp resident, even if he is younger than Israeli rule in the territories, is born with the conflict and lives it from the moment he gets up in the morning until late at night. Living with the conflict is what seasons the flavor of life there a transit camp that has adjusted itself to changing circumstances and has become a permanent settlement.

Today it is hard to distinguish the borders of the Tul Karem refugee camp and the neighborhoods of the city. The camp, the city and its suburbs all run together. But the streets of the camp are narrower and the crowding and confusion are greater. At noon the schools and kindergartens discharge about 3,000 children, the second generation of refugees, most of whom have known only Israeli rule.

On a normal day, they go home to one of the apartments that has been piled up over the years one on top of the other, over the narrow alleys. Other days are times of "popular resistance," when someone in a disappearing nerve center gives the order to attack the enemy. Then the young are drafted into the campaign, equipped with stones and trained in hitting the target anyone Israeli, whether soldier or civilian. Like David against Goliath, they love to debate any Jewish listener.

The fact is that the Tul Karem camp is actually one of the quieter ones. In fact it is located on an important transportation artery, from the foothills to Nablus, but it does not have the kind of intensive activity that characterizes camps like Dehaisha, on the Hebron-Jerusalem highway or Balata, at the entrance to Nablus. It would appear that there is a kind of distribution of labor within the system. Those other camps are on the front line. Tul Karem is in the rear. Thus it gets drafted during emergencies, when the decision is made in the disappearing nerve center to stir things up in the territories. That happens once every few weeks as a reaction to events in the area or in order to mark some historical event like, for example, this week, the 40th anniversary of the partition resolution.

We chose to visit the Tul Karem camp precisely because of the relative quiet there. We wanted to have a look at daily life—from the stone throwing, the curfews and from alley to alley.

The casual visitor is impressed by the overcrowding. This is one of the largest refugee camps in Judea and Samaria: about 9,700 residents in an area of 165 dunams, an average of 18 square meters per person.

But they are in no rush to leave. After the Six Day War, about a third of the residents of the camps in the territories fled, but since then their number has remained stable, because of a high rate of natural increase and a low mortality rate. The infant mortality rate in the refugee camps in Judea and Samaria dropped from 84 per 1,000 in 1975 to 27 per 1,000 in 1986.

It is crowded in the camp but almost intimate. Everybody knows everybody else, like in a village. People visit with one another to sip coffee, to discuss the latest events, to keep up to date on the latest family news. They sit themselves down at the shop of Hasan al Houri, the butcher, and pamper themselves with gossip, between the hanging blocks of meat.

No resident of the refugee camps would say he has it good here, even if he does. When Minister Mordecai ben Porat tried five years ago to submit a program for rebuilding the refugee camps, the reaction in the camps was hostile. From here they will only move us to our original homes, they said, meaning Jaffa, Haifa, Ramle and villages that were abandoned in the War of Independence.

The seven children of Abu Mashhur live in one room. The room has a double bed, a narrow passage way and a large clothes closet. There are some mattresses on the closet which they put on the floor at night. There are no windows in the room, which is crowded and stifling. Amal, five, says that she wants to get out of here; it does not matter where, just to get out. But the eldest son Mashhur, 11, is well versed in what he should say to a Jewish visitor. "We have to stay here," he explains with masculine authority and stresses that they would only go back to one place—Sidni Ali—which today is Nof Yam near Herzlia.

According to UNRWA, the United Nations Relief Works Association, there are today about 767 thousand refugees in 61 camps in the territories, in Jordan, in Lebanon and in Syria. About 340 thousand are subject to Israeli rule in Judea, Samaria and the Gaza Strip. The refugee population in the Gaza Strip is the largest in the Middle East—244,416 people.

There are 28 refugee camps in the territories—all the product of the War of Independence. Into each camp were gathered the residents of the neighboring settlements. In Tul Karem, for example, refugees were settled in 1950 from 85 Arab settlements between Jaffa and Haifa, among them forgotten names like 'Arb al Hawaris, 'Arb a Dma'ira and Qaqon, villages that lay between Netanya and Hadera.

Although they now live together, here and there they have preserved the social framework of the village. Thus, for example, there is a community of blacks, refugees from Wadi Hawaris, whose origin is apparently the Sudan. An unbreakable rule: when a child from the camps is asked where he is from, he will never say "from the Tul Karem refugee camp." He will always say the name of the village that his parents came from, even if he has never seen it and does not even know where it is. That law was enacted by the adults, the generation that wants to preserve the tie to their place of origin at any cost.

Omar Muhamad Amara, 64, was once the mukhtar of the Tul Karem refugee camp, until he lost favor with the authorities. It is hard for him to conceal his hostility toward the Jews—his eyes give it away, eyes that burn with anger over an inability to reconcile himself to the new situation. "We had good relations with the Jews," he explains. "The Zionists are the ones who started the troubles." He used to live in Miskha, near Ramat Hakovesh, a small village of 1,300 inhabitants.

"In May 1948—it was May because we had not yet harvested the wheat—the Jews asked us to leave the village or give up. We preferred to leave rather than give up and surrender our weapons. We believed that we would return. We were influenced by the Arab media that promised us that we would go back within a month or two. We thought that there would be two states—Jewish and Arab—or a binational state for Jews and Arabs. Until 1967 we kept the keys to our homes in Miskha. In Tul Karem I could have bought land cheaply, but we said we would not buy because we would not stay here. There is no escape from the fact that one day we would return. To this day I want to return—even under Israeli rule."

In a sense, they are returning. Every morning hundreds of workers leave the camp to the Jewish settlements across the Green Line, sometimes just a quarter hour away, actually neighbors. They work in construction, in the fields, in the factories. Now the women leave, too. The need to make a living has won out over the custom of leaving the women at home.

Many speak Hebrew, watch the TV show "Mabat" in the evening and a few even read Hebrew newspapers. They know Israel far better than most people in Israel know them. They keep up with our politics, denounce those politicians they hate and give high marks to the leftist camp. The Arabic translation of David Grossman's book, "The Yellow Time," describing various aspects of life in the territories, was a best-seller.

But despite the almost daily contact with Israelis, there is no closeness. When a Jew walks around in Baqa al Gharbiya, an Arab village within the Green Line, no one bats an eyelash. Even in the city of Tul Karem the residents have gotten used every Sabbath to seeing Jewish shoppers throng the markets and the offices of the dentists who offer their services cheaply. But for a Jew to come to a refugee camp is a rare event. The children pass the news throughout the camp: "The Jews are here." The Jewish Israelis seen regularly in the camp are the security force people, even though their policy is to keep a low profile as much as possible, if there is no defense need, to prevent unnecessary friction.

'Adnan Damiri, a former security prisoner, wrote his thesis at the University of Najah in Nablus on "Political and Social Change in the Palestinian Camps in the Captured Land." He chose Tul Karem as a test case. Damiri interviewed dozens of inhabitants of various ages in the camp and in the city itself. The results of the research, even if they contain more than a little political tendentiousness, are instructive. They reveal the "Weltanschauung" of the young Palestinian growing up in the camps.

Thus, for example, Adnan found a change in the games that the children play. Before the war, they used to play "universal" games like catch and hide-and-go-seek; today the most common games are derived from the

confrontation with the authorities. Instead of cops and robbers, they pretend to be Jewish soldiers and Palestinian terrorists. The "soldiers" carry metal containers on their backs, with a pipe or a prod, to look like soldiers carrying communications equipment. These games include, of course, imposing a curfew on the camp. The most popular toys are toy guns and pistols.

Of a group of 87 children asked what they want to do when they grow up, 41.3 percent answered that they want to be army officers. 17.4 percent want to be pilots; 17.2 percent, engineers; and the rest—doctors, teachers and professionals.

Even if the data are slanted toward the political views of the investigator, there is one fact beyond dispute: the refugee camps are undergoing a revolution in education. In the last 35 years, the number of students in the elementary and middle schools has jumped from 42,000 to 350,000. In the first years after the War of Independence the percentage of female students stood at 26.4 percent while today the numbers of boys and girls are almost equal. Time and money are invested in study. "Education is a weapon with us no less than a Kalashnikov," said one teacher who refused to be identified. The young spend more time in the UNRWA youth clubs. Those clubs have more than once become a hotbed of political activity. The one open sign of this activity is the slogans smeared abundantly on the walls: "Our strength is unity," says one, signed by the Democratic Front. The supporters of Fatah reacted with another: "Yes to the unity of our people." The young waste less time in idle activity. Of six coffee house that existed in the camp before the Six Day War, only one remains.

There is no real unemployment, but the salary that the young bring back from their places of work in Israel is not impressive. Jamal Harab, 25, works as a waiter when he can get the work, at the Dan-Akadia hotel. He says he earns 4 shekels an hour plus tips from the guests. Mufaq Damiri, 25, a graduate of the College of Business Administration in Amman, sometimes makes a living, against his will, by working as a black laborer in Israel. "For 40 shekels a day it is not worth working," he declared. If possible, he prefers to wander about the camp as an unemployed.

Once, before the War in Lebanon broke out, it was still possible to get help from UNRWA. The organization used to supply every family with food rations that included flour, rice, sugar, oil and powdered milk, according to the size of the family. The UNRWA assistance did not answer all the needs, but it at least covered the essentials. Since the War, most of the organization's efforts have been turned to Lebanon, and the distribution of food has been limited to the needy only. Most of the UNRWA budget—more than 200 million dollars a year—is intended for education and health services.

In recent years there has been a move back home on the part of young camp residents who had worked until now in the Persian Gulf states. Oil revenues have declined and brought about unemployment that has affected the Palestinians first. Now they wander about the camp with nothing to do, frustrated and angry at the whole world. The easiest thing to get angry at is Israel. After all, it is the enemy. As long as the camps exist, there is somewhere to nurture the anger and hatred.

What is absurd is that no one is interested in doing away with the refugee camps. Israel does not have the means or, more importantly, the political strength to resettle them. Other countries are indifferent, preferring to raise their annual contribution to UNRWA rather than look for radical solutions. The US is the most important of the countries that finance the UNRWA, with an annual contribution of 67 million dollars. The Eastern bloc countries do not contribute even one blessed ruble. Rich Saudi Arabia contributes 1.2 million dollars, about a half of a percent of the overall budget. The Arab countries prefer to keep the refugee camps as they are. Thus the perpetuate the problem, the anger and the hatred.

[Box on p. 16—The Governor: "A Good System of Mutual Relations." The Jordanian army established the camp in 1952, east of the city of Tul Karem. Refugees from dozens of villages in the areas of Netanya, Hadera and Haifa were settled there. Today, according to the latest count of the civil administration, there are 9,929 inhabitants. About ten percent of the camp's inhabitants work in the Arab countries and come to visit every two or three years.

An unusual phenomenon in the territories: since 1967 about 2,500 more residents have been added to the camp, beyond the natural increase. These are people who have left other refugee camps, from the Jordan valley, from the Nablus area and from the Gaza Strip. Only three percent of the inhabitants of the camp have left it and settled elsewhere. The large majority of residents, about 70 percent, are under the age of 30. There are four active political currents in the camp. The dominant current is "Shabiba,"—the youth movement identified with Fatah. The other groups are the Democratic Front, the Communists and the religious activists.

The Tul Karem camp is thought to be relatively quiet in terms of nationalist activity.

Lt. Col. Yosi Yehuda, governor of the Tul Karem district, is this really a quiet camp?

"About a year ago a Molotov cocktail was thrown from the camp precincts at an Eged bus. The bus burned but no one was hurt. Those who carried out the strike were residents of the camp. Since then there have been two other incidents of Molotov cocktails, but, even so, this camp is quiet compared to others. Violations of law and

order are generally limited to days of historical anniversaries, but even the 29th of November, the day of the partition resolution, passed this week with exemplary quiet."

How do you explain that quiet?

"The camp suffers less of the economic depression that afflicts other camps. There is no unemployment problem, and the level of services is relatively high."

How would you characterize relations between the administration and the residents?

"There is a good system of mutual relations. Every Thursday I have an "open door" for the residents. Last year we authorized ten family reunifications (the granting of authorization to a relative across the border to settle in the camp. I am walking the fine line between a balance of terror and a balance of desirability. In general, we impose fewer blockades, fewer curfews and invest in development. Last year the civil administration asphalted the main highway and installed street lighting. There is quite a difference between visiting people in the camp during a disturbance or a curfew and coming on a normal day, drinking coffee with them and solving problems."

To what extent have the inhabitants gotten used to the camp and feel that it is their permanent home?

"Whoever has the financial means leaves. There are some who build rather pretty homes within the camp. Most, however, cannot permit themselves that. Certainly were a general improvement campaign undertaken in the camp, they would participate."

What about their talk that they will only leave if they can go back to where their families came from before the War of Independence?

"Declarations like that are more lip service than the expression of true feeling. Most of them, in my opinion, do not really feel that way."

09794

## JORDAN

### Measures Recommended To Boost Economy, Reduce Unemployment

44040084 Amman AL-DUSTUR in Arabic  
12 Jan 88 p 9

[Text] Amman AL-DUSTUR—The Ministry of Planning has prepared a study which proposes policies to boost the national economy and the private sector's activities and to reduce unemployment.

The study proposes reexamining the status of investment institutions, setting up a center to study and develop industrial productivity, adopting measures to enhance exports, supporting the idea of establishing a Jordanian exporters association and exempting the semi-processed materials and parts used in computers from fees.

The ministry says that the past few years have been characterized by a slowdown in economic growth and by rising unemployment rates. The special report evaluating the economic situation in 1986, the first year of the plan, reflects several negative manifestations, of which the most significant are the following:

A drop in private sector investments from 288 million dinars in 1985 to 220 dinars at 1986 prices. This represents a drop of 24 percent in one year. As a result, total investment dropped by five percent at the prevailing prices and 11 percent at the fixed prices even though public sector investments rose by 23 percent.

A drop in the average total per capita consumption: This reflects a decline in the general and per capita living standard. In private consumption, there was an absolute drop from 1,421 million dinars in 1985 to 1,282 million dinars in 1986, representing a decrease of 9.8 percent. Even though government spending rose by 12 percent in 1986, this increase could not stop the total consumption from decreasing by five percent—a decrease which intensified the impact of the recession. Total consumption at the prevailing prices dropped from 1,826 million dinars in 1985 to 1,737 million dinars in 1986.

A drop in the disposable income (domestic income plus the remittances of workers and other private and official remittances from abroad) from 2,058 million dinars in 1985 to 2,029 million dinars in 1986 as a result of the decrease in the total remittances from abroad. The drop in the disposable income led to a decline in the total demand and, as a result, to a drop in the production of a number of local industries, thus contributing to increased unemployment.

These three basic indicators signify negative trends that must be tackled effectively through studies and through the adoption of policies that boost the economic activities generally and the investment activity in particular, thus contributing to alleviating the unemployment problem. The ministry's study deals with a number of problems that curtail private initiative and proposes a number of policies and measures that seek to deal with these problems and to create in the private investment sector an positive climate that enables this sector to contribute more effectively to overcoming the current recession.

Replacing foreign labor with Jordanian labor. To achieve this objective, we believe that the emphasis must be put on economic means with long lasting effects, not on administrative means. In this regard, we propose amendment of the wage, social security and health insurance legislation for both Jordanian and foreign

workers by moving in a direction that makes Jordanian labor less costly to the businessman than foreign labor. Such a direction will encourage the businessman to employ the unemployed Jordanian labor. Moreover, we propose here that this wage and social legislation be applied to both Jordanian and foreign labor and that the principle of levying taxes and fees on non-Jordanian labor be studied in order to increase the cost of foreign labor to the businessman. To be specific, we propose the following:

**Levy proper fees on wages paid by the businessman to non-Jordanian workers.**

**Establishing a fund to support Jordanian labor, with the revenues of the fees proposed in the abovementioned paragraph to be diverted to this fund and to be used to enhance the wages of low-paying jobs which Jordanians refuse to take up.**

**Advertising foreign job opportunities available to Jordanians:** At present, no advertisement on foreign job opportunities available to Jordanians is permitted to be published in the Jordanian press without the approval of the Ministry of Labor's employment department. Consequently, such advertisements are either published late or not at all, thus causing Jordanians to miss some employment opportunities. Therefore, we propose that all restrictions on advertisements concerning available employment opportunities be eliminated.

**Boosting Monetary Policy's Role.** To boost borrowing and to bolster the monetary policy in a manner compatible with current economic circumstances, we propose the following:

Reduce the current interest rate by about one percent through the means which the Central Bank deems appropriate. Such a limited reduction of the interest rates will, as part of the proposed measures package, lead to a positive impact on the investment climate generally. It is believed that reducing the interest rates by one percent will lead to positive effects without any noticeable cost to the balance of payments or to the volume of deposits in commercial banks. This impact will be embodied not only in the reduced cost of investment borrowing and financing but also in a psychological effect anticipated to lead to an optimistic climate concerning the private sector's expectations of economic activity. To bolster this new role, it is proposed that consideration be given to restructuring the commercial banks' credit transactions and interest rates charged for these transactions in such a manner as to insure that they respond to the needs of boosting the more productive investment.

It is proposed that a fund be established to insure medium and small-size investment and borrowing, that it be supported by the state and that it be financed jointly by the Central Bank and commercial banks. One of this fund's basic objectives will be to evaluate the feasibility studies for projects requiring financing and to have the

commercial banks guarantee financing for such projects when proven feasible. This fund can insure varying percentages of financing. This insurance may cover as much as 50 percent of the required financing, with the commercial banks taking the remaining risks. The fund will alleviate the small and medium-size investor's burden of providing the adequate collateral demanded by the commercial loan banks. The investor will, however, be required to pay the proper fees in return for these investment insurance services. To set up this fund, it is proposed that the Central Bank, in cooperation with the commercial banks and with the Ministry of Industry, take the necessary steps, including the step of formulating the plan and spelling out the prerequisites for its implementation. At the right time, the Ministry of Planning must consult with foreign financing circles to secure support for this fund.

**Amending the Customs Policy.** It is noticed that the high customs exemption rates enjoyed by some establishments often allow the purchasing power to seep outside the country instead of causing it to be channelled toward national products competing with imports. This situation curtails the size of the domestic market available to Jordanian products. The World Bank, for example, has estimated the value of 1984 imports by the establishments exempted from customs fees at 500 million dinars, including 125 million dinars for imports competing with national industrial products. Consequently, the demand for national industrial products diminished and the value of this production decreased. Therefore, it is proposed that a working team from the Ministries of Industry, Finance and Planning and from representatives of the chambers of industry be formed to study the various dimensions of the customs tariff law and of the exemptions this law incorporates in the interest of various establishments and to propose the amendments this law needs to enable it to expand the domestic market for the national manufacturing industry's products and to protect these products from the unfair foreign competition which is institutionally exempted from customs fees.

The most important of the computer and electronic industry components are imported at a customs tariff rate of 23 percent, plus other fees and taxes which raise the customs margin on these imports to 41 percent of the value of the imports (C.I.F). The value of import fees and customs on computer screens amounts to 41 percent of the value of the import.

To encourage the proliferation of technological and scientific knowledge, the government has exempted fully-manufactured computers from import fees whereas computer components continue to be subject to relatively high fees and taxes, thus penalizing local production and encouraging importation. In view of the importance of developing the local modern technological industry generally and the computer industry in particular, we propose the following:

Exempting the materials and semi-processed parts used in computers from all import fees, such as the import license, the customs tariff fees, the unified tax and other fees. It is worth noting that the total value of the customs revenues payable for such imports and parts amounted to 300,000 dinars in 1986.

**Imposing a low customs fee on the importation of fully-manufactured computers.**

**Boosting Exports.** To encourage Jordanian exports, we propose the following: Expedite the creation of a financial institution or outlet in one of the existing establishments to secure exports and to encourage the provision of credit for the exporter or importer of Jordanian goods, especially new and unconventional goods.

Simplify the administrative procedures facing Jordanian exporters so as to develop effective means to encourage exports, considering that most exporters face problems with the Customs Department as a result of the complex customs procedures in general and the procedures concerning components imported for the export industries and products in particular.

**Reexamine the responsibility of the Commercial Centers Establishment to make it more effective and to expand the sphere of its activity so that it may perform its fundamental tasks and may devote special attention to establishing links between Jordanian exporters and potential foreign importers and may develop a detailed data base on foreign markets.**

**Encourage the idea of creating a Jordanian exporters association.**

**Expedite the creation of an independent measurements and standards authority adopting simple administrative and executive procedures.**

**Set up a center to study and develop industrial productivity, to conduct field studies on Jordanian industrial productivity and to make the proposals needed to develop this productivity.** It is proposed that this center be placed under the control of the Higher Science and Technology Council.

**Bolster the Industry Department's capabilities, especially in the area of preparing and providing the latest data on market conditions and on the common needs of the various industries so as to determine the components that can be produced locally to replace imports.** It is also necessary to bolster the department's capability to create the institutional structures to organize cooperation between the small and medium industries on the one hand and the natural-resource industries on the other, as well as cooperation between the small and medium industries themselves, so as to determine and provide additional opportunities for local production.

Considering that law No 11 of 1987 on encouraging investment grants economic projects advantages, such as exemption of the imported fixed assets of a project from the customs fees, to industrial projects valued at no less than 25,000 dinars in development zone A and at no less than 15,000 dinars in development zone B, this law's provisions grant the advantages to the bigger projects at the expense of the smaller projects. Because unemployment is currently concentrated in Amman and al-Zarqa' and in order to boost investment and employment, it is proposed that these limits be lowered to 15,000 dinars for development zone A and to 10,000 dinars for development zone B.

It is proposed that the status of the investment institutions owned or supervised by the state be subjected to total reexamination so as to make these institutions more effective and more capable of performing a vanguard role in boosting investment in this phase. The significance of this proposal emanates from the fact that private investment has fallen below its past rates, thus requiring government institutions to perform by necessity a vanguard role in determining the new investment opportunities and in encouraging the private sector, both individuals and establishments, to embark on profitable investment.

08494

#### **Officials Study Measures for Reducing Unemployment**

**44040069b Amman AL-DUSTUR in Arabic**  
**15 Dec 87 p 13**

[Text] A seminar on unemployment organized by the economic research department of the Royal Scientific Society was held at the society. Participants in the seminar included specialists from ministries, departments, general institutions and pertinent official agencies.

In opening the seminar, Jammal al-Badur, the vice-chairman of the society, stated that the aim of the seminar is to promote scientific dialogue, bring to light the results of studies and research undertaken by researchers at the society, and exchange opinions and ideas.

He stated that the participants in the seminar are discussing the results of a study which focussed on the special characteristics of employment seekers. The study was conducted by the economic research department of the society. He expressed his appreciation to the institutions which contributed to bringing the results of the study to light.

Dr. Muhammad al-Sammadi stated that the study was based on a field survey of a sample of unemployed people who submitted employment cards to the employment bureau and employment offices subordinate to the Ministry of Labor during July-August 1986.

He added that most of the unemployed are young and close to the age of matrimony, and that a third of them are under thirty. He indicated that the percentage of females is much greater than that of males. The study also notes that unemployment is gaining ground among university and college graduates.

He stated that the study included recommendations for solving the problem of unemployment, including the establishment of a national information system, a re-examination of the educational system with regard to its relevance to present economic developments, concentration on vocational training, and the organization of the labor force influx.

The study indicated that the Province of al-Zarqa' has a higher level of unemployment than other provinces, followed by the province of the capital.

13286

### Members in GCC Contribute to Domestic Economic Boost

44040069a Amman AL-DUSTUR in Arabic  
17 Dec 87 p 9

[Text] The issue of establishing a Jordanian investment "holding" company has made progress as it is reported that the company's founders from Kuwait have deposited approximately a half a million dinars or more in a Jordanian bank to pave the way for the inception of the company. Jordanian expatriates in the GCC countries are contributing to the company which will have 5 million dinars in capital.

A committee designated the Committee to Encourage Investment in Jordan was formed from within the administrative organization of the expatriate community. It has held extensive contacts with Jordanian economic figures in Kuwait to solicit contributions for the company.

Many of these figures displayed a willingness to contribute to the company in order to facilitate its establishment. The above-mentioned committee met with Nabil Tawfiq al-Talahuni, the Jordanian ambassador in Kuwait and the honorary president of the expatriate community, and requested the imminent convocation of a meeting of numerous economic figures in Kuwait to discuss making contributions to the company and to the Jordanian economy on a wider scale.

The establishment of the company is close at hand, especially because the administrative organization is serious about making all the necessary arrangements for establishing it.

Extensive contacts have been undertaken with numerous Jordanian economists in Kuwait in order to generate support for the Jordanian economy in every possible way.

The success of the unity and agreement summit was an incentive to work seriously to establish the above-mentioned company, and to contribute to numerous programs which are expected to be successful. This is especially so because the Jordanian government has begun to take earnest steps to re-examine companies involved in similar work with the aim of merging them, and to become informed of their economic value.

The meeting of members of the ten committees originating in the administrative organization of the Jordanian expatriate community will take place in order to allow for the presentation of issues concerning the establishment of the holding company, and to examine different issues pertaining to the company. The administrative organization of the expatriate community suggested issuing a general call for Jordanians working in Kuwait to remit part of their savings to Jordan in order to benefit economic programs which require much work and economic activity on the part of the expatriates.

This suggestion has aroused interest among many Jordanians.

13286

### Journalists Union Endorses Gaza Demonstrations

44040069c Amman AL-DUSTUR in Arabic  
15 Dec 87 p 32

[Text] The Jordanian Journalists Union issued a statement regarding the popular uprising in the occupied Arab territories—the uprising which [demonstrates] the steadfastness of the people who resist the bullets of the enemy with their hearts. International society has imploringly called for support of the Palestinian people in its just struggle against the Nazi, Zionist occupation. The following is the text of the statement:

The West Bank and Gaza Strip, and the cities of Palestine are witnessing a popular mass uprising which has shaken the Zionist entity, and which continues. In this awesome uprising, which is described by the occupiers as a civil insurrection, tens of martyrs and wounded have fallen, and innocent blood has been spilled; children the elderly and women are meeting bullets with their hearts which are filled with the belief that the land is their land, that the country is their country. They have proven to

the world that Nazism and Zionism are the same, and that the enemy only understands the language of struggle, confrontation and resistance.

The Jordanian Journalists Union, which sees in this popular uprising a renewal of the youth of the nation and its struggle, implores the masses of the Arab nation in every state to support the brothers in our occupied land, and it implores popular and official organizations in the Arab nation to work toward exposing the Israeli enemy, which is hostile toward international community, and toward exposing the insincerity of the calls for peace issued by the Zionist occupiers. The union has admiration and respect for the steadfast fighters in the occupied Arab territories; it implores the world, its institutions, and its organizations to support the Palestinian people in its just struggle against the Nazi, Zionist occupation; this people faces extermination actions and the destruction of life on its land. Victory will one day come to those who believe and who persevere.

13286

## KUWAIT

### Relations With USSR Reviewed

44000028 Paris MEMO in French 2 Dec 87 p 21

[Article by Adel Salam: "Soviet/Kuwaiti Economic Relations Expected To Develop and Gorbachev's Reforms are a Determining Factor"]

[Text] The Soviet/Kuwaiti relations have been going on a long time but the Gulf war brought them to the front of the scene as Moscow attaches greater importance to the Gulf region in general. Economic cooperation between both countries seems to be suitable for development now in the framework of the Soviet review of their economic trends and structures on one hand and the Kuwaiti new investment trends on the other.

The following article attempts to throw some light on the potential and prospects of this cooperation during the forthcoming period.

Two months ago, Kuwaiti oil minister, Sheikh Ali Al Khalifa El Sabah visited Moscow and he declared that the aim of the visit is to develop and expand economic and oil relations between both countries. The Minister had signed last February a protocole for the development of economic relations and cooperation in the field of construction of oil installations and other projects in any of both countries or in other countries and in the banking field. An agreement was signed upon the last visit to form a permanent joint committee for economic cooperation.

Economic and trade relations between these countries are not recent, the last protocole is, in a way, a development of two previous agreements. The first one concerned the economic and technical cooperation and was signed in February 1965. The second is a trade agreement which was signed in November 1985. One should say, however, that trade relations between both countries remained weak and were somewhat reduced in 1986 compared to 1985.

Yet the beginning of the current year witnessed in addition to the signature of the protocole an important event which confirmed the ongoing trend towards the consolidation of cooperation. In fact a Kuwaiti consortium of banks granted a loan of \$150 million to the Soviet Foreign Trade Bank (VNESHTORGANK). Some western circles believe this loan is a strategic one that will mark the beginning of further similar operations. The Vice President of the Soviet bank declared during his visit in Kuwait to sign the loan agreement that he is studying several means of tightening economic cooperation between both countries and that Moscow does not dismiss the possibility of establishing joint ventures in the future.

What are the prospects of these relations? Can we say they are slowing down since no projects were practically designed during the last visit of Sheikh El Khalifa in Moscow?

Just before this visit, the oil minister told reporters that both countries were in fact attempting to agree on joint investments but that he wouldn't speak about them until they materialize. Is this why nothing was said on the occasion of the protocole's signature?

Some observers believe that the Soviet Union as a leading power tends to give priority to political issues in such sensitive regions which form the core of the current international problems with the economic side developing later at various paces. Kuwait, by contrast, starts with the economic issues.

These observers also say that despite the political and military strength of the Soviet Union, yet its capacity in trade and economic cooperation is limited. Its economy is not quite opened to foreign countries. The diversification of its exports is limited as oil and gas represent the major source of foreign currency which hinders the development of trade with Kuwait, also a major exporter of oil and oil by-products.

Yet most observers believe that the above analysis tends to simplify some matters. Economic relations between both countries can, in fact, have their own developing momentum as a result of the following:

First: It is quite clear that political interests in the Soviet/Kuwaiti relations acquired and are acquiring a strategic context in the search of balances by Kuwait and in the attempts of expansion, consolidation of relations

in the Gulf area and testing new foreign policy mechanisms by the Soviet Union. The nature of such relations is, therefore, an incentive to establish a long term organized framework in which a minimum of stable economic relations between both parties should be included.

/12223

## LEBANON

### General Strike Warns of Economic Collapse

44000026 Paris MEMO in English 2 Dec 87 pp 13-15

[Article by Issam Al-Jurdi: "Lebanon: The General Strike is an Alarm Signal of the Economic Breakdown"]

[Text] The Lebanese general Workers Confederation and the General National Union Conference called for a general strike in Lebanon as of November 5 to protest against an increasing inflation which threatens to erode wages as the Lebanese pound is declining and the conditions of life are deteriorating. The following interviews with Dr Edmond Naiim, the Central Bank Governor, and with Dr Hisham, Al Bisat, an economic and banking expert throw some light on the different views concerning the causes of the economic and monetary breakdown in Lebanon. This will also allow us to present possible solutions and provide some potential forecasts.

Ever since his arrival as the head of the central bank, Dr Edmond Naiim is in battle with banks, the banks association and sometimes with public authorities and ministries.

The banks Association is opposed to his tight monetary policy which it sometimes describes as a policy of "confiscation of property."

The position of ministries and public authorities is not better as they have many differences with the Central bank which often refuses to open letters of credit or approve loans to limit the increase of the public debt and its inflationary effects especially after the central bank's share in the public debt and in the financing of the budgetary deficit increased.

As far as the banks Association is concerned, the Central Bank Governor says that the central bank is simply adopting the necessary monetary policies and what is allowed by the monetary law as "even confiscation can be justified in the current outstanding situation."

Dr Naiim still believes that the current interpretation of the bank secrecy law is preventing the Banks Control Committee and the central bank from carrying out their work.

As for the ministries and public authorities, Dr Naiim believes that the independence of the central bank vis a vis the State and its organs makes him opposed to become bound by any of the public authorities.

Dr Naiim seldom accepts to be interviewed but we were able to have a short meeting with him. It could have definitely been more effective if we had more time and less restrictions.

### Objectives of the monetary policy

How does the Governor of the Lebanese Central Bank evaluate his monetary policy and its results?

We have several means which we can use to achieve the final objective, namely, to defend the Lebanese currency. Some of he means are as the following: First: To ensure a sound sector which requires a strict control of banks. This task is within the competence of the Banks Control Committee which can be informed about the position of each bank. But unfortunately, the "rigid interpretation" of the principle of bank secrecy allows some banks to use this provision to hide the truth from the Banks Control Committee.

But there is a judicial decision which interprets the law on bank secrecy in such a way as to allow the Banks Control Committee carry out its task?

In spite of the interpretation made by the public prosecutor and by Beirut's examining magistrate yet the problem of bank secrecy still exists.

Second: To limit the volume of liquidity of the Lebanese Pound to prevent banks from massively falling in the vicious circle of purchases of foreign currencies and to avoid in particular speculations aiming at achieving profits rapidly.

In order to contain the available liquidity and ensure its monthly increase in such a way as to satisfy the needs of the public sector which lost much of its resources, the Bank of Lebanon imposed a compulsory reserve proportionate to the increasing volume of liquidity and to the necessary margin left to banks to allow them to carry out their activity without restrictions. It should be noted that the largest part of this reserve comes from remunerations of frozen amounts together with interest on treasury bills which in turn are compulsory reserves.

Third: To curb the tendency of the public and private sectors to profit from the liquidity accumulated as a result of pumped in new currencies. This is why only urgent loans are granted to the State.

### Banks and others' money

Isn't this a limitation of the banks' freedom of using their deposits and also a limitation of credit?

Banks live with the money deposits of others. All that we can ask now in this difficult situation is that banks don't make any losses but ensure in the best cases a reasonable profit.

In the light of the above facts, the policy of the Bank of Lebanon aims at achieving the above mentioned objective. In other words, the Bank of Lebanon wishes to contain liquidity on one hand and to remunerate this liquidity on the other in such a way as to allow it to safeguard itself and to gain a reasonable and acceptable margin of profit.

Banks claim that the Bank of Lebanon is reducing their liquidity. In fact the decision No. 739 left banks with only 9 percent of the liquidity resulting from new deposits (75 percent treasury bills and 16 percent compulsory reserve). This decision made some banks transfer savings to dollar and other foreign currency deposits as the compulsory reserve concerns only Lebanese deposits and the same thing applies to treasury bills...

When we calculated the expenses to be incurred by banks concerning deposits (interest payable on deposits) and administrative and investment costs concerning all this assets, we have also taken the benefits that banks make from their foreign currency deposits into consideration. And the Bank of Lebanon can also "impose a compulsory reserve on foreign currency bank deposits."

How does this compulsory reserve affect the outflow of foreign currencies from the Lebanese banking system and thereby the emigration of the remaining capital from Lebanon?

I can also impose a compulsory reserve in foreign currency by asking banks to deposit these currencies in non-Lebanese banks to be determined by them according to the remunerations of foreign deposits provided the Bank of Lebanon approves such deposits and that these funds are not moved without its approval. But banks in this case, will decide to keep these funds in Lebanon as they are almost exempt from taxes as opposed to taxes due on deposits abroad.

Despite the importance of the policy of the Bank of Lebanon in the control of money supply and the use of instructions available to this end, the banks association described it as a policy of "confiscation of property..."

The policy of the Bank of Lebanon is not a policy of confiscation although confiscation can take place in outstanding circumstances and in war times. Legal provisions include it all over the world regardless of the nature of systems whether in the USA, France or England. The controversy concerns the extent of compensation only which should be primarily equitable.

In fact the decision of the Bank of Lebanon to impose a compulsory reserve is based on article 77 of the monetary law which grants it such outstanding rights.

What are the extent and limits of the State's power, the finance ministry in particular, over the Bank of Lebanon?

The central bank is completely independent from the State according to the law and according to the monetary laws all over the world. It is, therefore, not restricted by any public authority except in three cases only:

1) to determine the salary of the governor and deputy governors of the central bank.

2) to approve the salary of employees of the central bank. The decision is made by the finance minister in both these cases.

3) The governor of the Bank of Lebanon cannot interfere in the exchange market without the approval of the finance minister. This means that if the finance minister asks the governor of the Central bank to purchase or sell currencies, the latter can refuse this. But the governor of the central bank cannot enter the market to purchaser or sell currencies without the approval of the finance minister.

The substantial decline of the exchange rate of the Lebanese Pound after the regulation No. 739 was cancelled is mainly due to non-economic developments and especially to political escalation. The regulation No. 739 gave rise to an important dispute between the Bank of Lebanon and the Banks Association, the latter refusing to implement it and holding it responsible for the adverse results on the exchange rate of the Lebanese Pound.

Two days after the decision was cancelled the dollar's exchange rate increased substantially in the Beirut market despite the promises of the Banks Association to calm down the situation once the decision was cancelled. How do you explain this?

First of all let us consider the reasons why the Banks Association refused the decision No. 739. This famous decision allowed the banks to keep only 9 percent of new deposits as of 7/7/1987 at a high cost reaching 100 percent if banks paid 20 percent interest on deposits. This made banks unable to attract new deposits, grant new loans to customers or even cover the interest on their debt accounts. This is why banks refused to implement this decision especially that it had failed to implement the previous decision No. 700 whereby they had, in agreement with the central bank, transferred more than half of their deposits to treasury bills and compulsory reserves during the first half of the current year.

As for the reason why the dollar's exchange rate increased after the decision 739 was cancelled and despite the promises of the Banks Association, they are mainly due to political escalations...The fact that the

dollar increased in Beirut in spite of its decline everywhere else is in fact the best proof that our problem is more of a political problem than an economic one.

The Banks Association was implicitly opposed to the project of the popular bonds. This was clear in the way banks dealt with their customers who wished to buy such bonds. Yet, the difference between the debtor interest and the creditor interest exceeded 22 percentage points in some banks. Don't you think that this policy of interest rates increases the pressures on the exchange rate of the Lebanese Pound? And why did the Banks Association fail up till now to unify the banking conditions at least at the lower levels?

The policy of interest rates currently applied to the treasury bills in both the primary and secondary markets is in fact the source of the crisis. It is incredible for a national currency to have such different rates of interest for the same periods. How can banks sell treasury bills to people at an interest rate of up to 45 percent per year and be able to rediscount them without cost while banks are prevented from obtaining similar returns for the same periods, as the annual return of treasury bills is 25 percent only and these bills are not rediscounted automatically and this rediscount is made at an interest rate reaching 50 percent.

The objective of this operation is quite clear, namely, to absorb the liquidity to cover the budgetary deficit. But why don't we worry about the reason for the deficit which in fact is the result of the decrease of revenues, increase of expenditures and the incapacity of reducing expenditures. If the monetary authorities wish to reduce the excess liquidity, why don't they try to absorb it at the prevailing market price rather than the interest rate which is less than costs. The large debate going on in banks about the large difference between creditor and debtor interest rates does not take into consideration that today 60 percent of deposits are made up of 18 percent of interest bearing treasury bills, 10 percent of compulsory reserve without interest, 3 percent of special reserve at 6 percent interest and 27 percent of the deposit to cover debtor interest and ensure the bank's liquidity.

One of the problems facing banks today is the debt problem where doubtful debts are increasing. There are also some which up till now did not settle their foreign currency debts with others and there is a legal vacuum concerning the settlement of debts. How do you evaluate this problem, its extent and consequences?

The problem of doubtful debts especially in foreign currency is one of the most important facing banks today. Some banks were unable to settle them up till now. Outstanding debts reached 850 million dollars on 30/6/87 and if half of this amount is made up of doubtful debts, the amount of these debts would reach 141 billion Lebanese Pounds at prevailing prices. This requires a consolidation of banks' own funds and the coverage of these debts before banks turn to their deposits.

Despite the economic recession the number of banks' branches increased a lot during the last three years. Banks also made large profits. Can you explain this?

The increase of banks' branches is mainly due to the dispersion of markets and to the attempt of creating new markets in the absence of the centralized banking situation which was prevailing in Beirut before 1975. Although the figures of profits made by banks lately seem high, yet they have decreased in reality because of inflation. The decrease of the value of the banks own funds is a proof of this if we convert them to foreign currency.

Some banks' branches outside Lebanon face serious problems. What are the reasons and what are the consequences on the banking sector?

Lebanese banks were faced with important challenges due to the dispersion of the local market and the decline of their activities. This led some of them to expand abroad to follow the Lebanese wherever they emigrate. Unfortunately sufficient studies were not made before taking such decisions. In addition to this, work in developed and complex financial markets requires high skills and efficiency not available in some of the banks which created many problems for them. Furthermore, creating branches and granting unguaranteed facilities made some banks suffer substantial losses. No doubt that such risks will have important consequences on the Lebanese banks which have branches abroad.

Do you approve of the introduction of modifications to the banking laws in the light of the current situation? Do you think the bank secrecy law should be modified in such a way as to allow the governor of the Central Bank and the Banks Control Committee to examine creditor accounts?

Yes, we need a global review of banking laws not only in the light of the current situation but also to allow banks to face events with more flexibility and efficiency. It is quite normal that laws which were issued at times of economic booms cannot be appropriate for the current crisis.

As for the banks secrecy law, I don't object at all to having the governor of the Central Bank and the head of the Banks Control Committee, who are responsible for the health of the Lebanese currency and banking institutions, examine the creditor accounts of banks.

Dr Salim El Hos proposed a project whereby 20 percent of the gold reserves should be sold to stabilize the exchange rate of the Lebanese Pound. What do you think of this project? What are the alternatives if the State fails to ensure its necessary resources?

The decline of the exchange rate of the Lebanese Pound is so fast that the sale of only one tenth of the gold reserves is sufficient today and tomorrow or after tomorrow the sale of even less gold will be required.

The Hos project is the only solution to ensure the supply of foreign currencies and face the prevailing panic. But the remedy is only temporary and its effect will decrease as the political crisis becomes more acute. The problem in Lebanon is a political problem and not a financial one. If the State fails to become strong and to ensure its revenues, the Lebanese Pound will fall even further which will expose the Lebanese to even harsher problems.

/12223

## LIBYA

### Commentary Lauds Fedayeen Ultra Light Attack

45040040 Tripoli AL-ZAHF AL-AKHDAR in Arabic  
7 Dec 87 p 10

[Article by Salim Bashir Daww: "A Very Ordinary Incident"]

[Text] Mr 'Ismat 'Abd-al-Majid, minister of foreign affairs in the Egyptian government issued a statement after a guerilla operation was carried out in the Gaza Strip, on the borders between occupied Palestine and Egypt, against a patrol belonging to the Zionist occupation forces. In that statement the Egyptian minister said that the aforementioned operation "was an ordinary incident and must not be blown out of proportion."

As Arabs, we too want to affirm to everyone that the operation was an ordinary incident. It was a very ordinary incident, and it must not be blown out of proportion. We would say, in addition, that the Martyrs of Qabiyah operation, which was a surprise, suicidal operation carried out against the Zionist Ghaybur Camp by the formation of Abu 'Ammar Adham, the late pilot, was also an ordinary incident that must not be blown out of proportion. (What heroes!) Whan Sana' Muhaydali carried out her bold, suicidal action and killed 50 Zionists, she too was engaged in an ordinary and not an unusual incident. When the late hero, Sulayman Khatir cut down seven Zionists with his machine gun, that was an ordinary incident. And when the hero al-Islambuli executed the traitor Anwar al-Sadat, he was not committing a heinous and abnormal crime, but he was rather doing something that was quite normal. In addition, we have Lula 'Abbud, Ibtisam, Dalal, and Hasan (Faznari), who destroyed the eight-story American Command Headquarters in Beirut. All these people were in full possession of their mental and national faculties. They did not do anything that to us, Arabs, was out of the ordinary or

unusual. As Arabs we do not find what these people did unusual. Nor will we find anything unusual about the heroic deeds which will be carried out by those who will follow.

But the extraordinary incident that we condemn and that Mr 'Ismat is aware of, even though he feigns ignorance, is the establishment of relations with our enemies, the Zionists. To us, signing agreements of capitulation with our enemies is not ordinary. To us, receiving Zionists with total impudence and meanness is not ordinary. And to us, recognizing the entity which Zionists established at the expense of our Palestinian Arab masses is not ordinary. The Amman Summit resolutions which gutted the Baghdad Summit resolutions are not ordinary. These Amman Summit resolutions carry the implication and the promise of spreading the principles of Camp David among the Arabs at the behest of the American administration.

This then is an ordinary incident, and that is one which is not. The most ingenuous Arab in the simplest part of the Arab world understands that, and those who wallow in submission also understand it.

At any rate, we do expect more ordinary incidents, as Mr 'Ismat calls them, but we will not be surprised or astonished by them. We will rather rejoice and be pleased because these incidents will increase our determination, fan the flames of revenge in our hearts, and force us to reinforce the foundations of those "very ordinary incidents" so they can become a cluster of incidents rather than isolated ones. We want these incidents to become expected and ordinary incidents rather than unexpected ones. We want such incidents to occur every day, every hour, and every minute until Arab territory, Arab waters and Arab skies are liberated.

This is our country. We have a right to do anything we want to do within its borders, and we have a right to do that with pride and without intervention from anyone.

This is our country. We have a right to do anything that is ordinary or out of the ordinary on its soil. Because ordinary incidents will undoubtedly recur many times, we hope the minister will excuse our lack of familiarity with extraordinary events and our unwillingness to carry out any extraordinary events such as those which were carried out by al-Sadat and those which are being carried out by his very respectable successors who are very submissive indeed. May you have all the extraordinary events you want until such a time when ordinary events relieve you and the country as well of your extraordinary actions and deeds.

08592

## SAUDI ARABIA

### Economic Diversification Pays Off

44000027 Paris MEMO in English 2 Dec 87 pp 17-18

[Article by John Baroudi: "Saudi Economic Diversification Pays Off"]

[Text] Since 1970, when the Saudi government embarked on its successive five-years plans, the aim was to realise a number of strategic objectives. The primary target was the development of the infrastructural base, particularly public utilities. Parallel to that the Saudi government sought to improve the services of the public sector and highlight its role in the general economic development of the Kingdom. It also sought to encourage the private sector to play a more active role in the process of economic development.

The Saudi government has sought to reduce the dependence of the Kingdom on a single export commodity, crude oil, which kept the Saudi economy vulnerable to changes in the world oil markets. Economic diversification was the answer, first by developing downstream industries namely oil refining and petrochemical industries and second by developing the non-oil sector. The current five-year plan (1985-90) asserts more than ever the objectives of economic diversification with particular emphasis on industry and agriculture. There are plans to allocate an even higher ratio of public and private investments to industrial and agricultural projects.

The determination of Saudi government to diversify the economy was further stressed in the 1987 state budget which has reduced the ratio of oil revenues from total budget revenues to its lowest ever level of 55.6 percent, with the bulk of other income expected to come in form of profits from the government's partial ownership in the Kingdom's petrochemical plants. Moreover, the Saudi government counts on income generated from the 4 percent tariff which it levies on most imports and on the income from its invested reserves.

Achieving food security was the primary motivation for the development of the Saudi agriculture sector. To that end current five-year development plan aims at continuously increasing agricultural productivity while minimising production costs. It is felt that this can be achieved through the utilisation and development of new cultivation, irrigation and harvest techniques appropriate for the Kingdom's soil conditions. The objective is to improve the living standard in rural areas and upgrade the productivity and marketing talents of farmers.

As Saudi Arabia is endowed with close to 25 percent of the world's reserves of crude oil and substantial reserves of associated and unassociated gas, Riyadh has been careful not to pursue industrial diversification at the expense of the hydrocarbon sector. On the contrary, it has sought to benefit from the special advantages made

available by the abundance of oil and gas in developing its downstream industries. Close to 80 percent of production costs in petrochemical industries is made up of fuel and raw materials. Considering the abundance of these materials in the country the Saudi petrochemical industries were liable to enjoy a competitive edge over other countries' industries.

On the other hand Saudi industrial development efforts have also concentrated on developing the Kingdom's mining industry. Geologists' surveys have revealed that Saudi Arabia is endowed with substantial reserves of various minerals, including gold, silver, copper, zinc, lead and aluminum, in addition to several minerals used in industries such as phosphates, magnesium dioxide and coke.

### Remarkable achievements in the agriculture sector

The economic diversification efforts of the Saudi government proved to be especially fruitful in the agricultural sector which witnessed remarkable progress. The basic factors contributing to that included the following:

- The reclamation of new agricultural land which contributed to the expansion of the total area under cultivation;
- Land distribution coupled with government financial support to private sector farms, assisting them in the purchase of primary equipment, machines and fertilisers;
- The subsidisation of Saudi agricultural products coupled with marketing assistance to farmers.

By the end of 1986 a total area of 905,00 hectares had been distributed to farmers, as compared to only 35,000 hectares in 1974. Furthermore, 169 dams had been built, having a storage capacity of around 412.62 million cubic metres. A total of 848 reservoirs were also built between 1977 and 1986.

The response of the private sector to the government's efforts was highly positive. Individuals and private corporations have invested in plantation, livestock and fishery projects, utilising modern cultivation, irrigation and livestock raising techniques. The area of land under seasonal and perennial cultivation has doubled in less than 10 years, rising from around 5.57 million dunums in 1977 to 10.82 million dunums in 1986.

Government efforts were particularly successful in boosting wheat and vegetable crops. From 300,000 tonnes in 1975 wheat crops increased to 1,700,000 tonnes in 1985 and a projected 2.5 million tonnes this year. After being an importer of wheat Saudi Arabia amassed an exportable surplus estimated at 1.2 million

tonnes during the current year. Major importers of the Saudi wheat include Jordan, whose yearly imports average around 202,000; Portugal, 140,930 tonnes; and Bahrain, 54,000 tonnes.

Boosting wheat output was not achieved at the expense of quality. Evidence of this was the recently reported decision taken by the European Economic Community (EEC) to import close to 100,000 tonnes of Saudi wheat. This decision was taken despite the fact that the EEC has an estimated wheat surplus of close to 12 million tonnes and it was dictated solely by the fact that the quality of Saudi wheat was much better than that of EEC wheat, to the extent that imported wheat would be mixed with the lower quality European wheat.

Within less than 10 years the produc

#### Moving ahead with industrial diversification

The economic development plans of the Saudi government have also concentrated on providing special assistance to the industrial sector efforts, particularly in relation to the objectives of economic diversification. The target of the current five-year plan is to achieve an average growth rate of 15.5 percent in the industrial sector and to raise its contribution to the gross domestic product to \$6.87 billion. As compared to that the Saudi industrial sector had during the previous five-year plan achieved an average annual growth rate of 14.1 percent and its contribution to GDP had increased from SR 6.5 billion to SR 13. billion.

Saudi Arabia currently has close to 2,000 industrial firms producing around 10,000 types of commodities. These industries can be divided into two groups: first, the basic industries, the majority of which are those relying on hydrocarbon raw materials, in addition to the heavy metal industries; and second, the manufacturing industries.

In 1976, the Saudi government establishment of vegetables tripled, rising from only 546,000 tonnes in 1978 to around 1.62 million tonnes in 1986. This has enabled Saudi Arabia to export its surplus of vegetable crops to neighbouring Arab countries including Kuwait and the United Arab Emirates. Furthermore, the United Kingdom has, since September of last year, become the first European country to import Saudi vegetables. Since then London imported 38,000 tonnes of tomatoes, 17,000 tonnes of cucumbers and 2,000 tonnes of cauliflower and fresh beans.

Saudi Arabia has also succeeded in boosting its production of poultry meat and eggs and has been able to amass an exportable surplus that ended up mainly in GCC countries. From close to 6,000 tonnes in 1973 the poultry eggs output of Saudi farms increased to 137,000 tonnes in 1986.

Likewise, production of poultry meat increased sharply to 146,000 tonnes in 1986, up from close to 8,000 tonnes in 1973.

shed the Saudi Basic Industries Cooperation (SABIC), as a fully state owned company. Its objective has been to develop the basic heavy industries, in cooperation with the private sector. In this connection it also aims at encouraging the private sector to invest in complementary industries—those utilising the products of the heavy industries as feedstock.

Within the framework of its primary objective SABIC had during the third five-year plan (1980-84), secured a total of SR 36.9 billion (at constant 1983/84 prices) as investments in eight basic industries. Thus it achieved most of its objectives in this respect. In addition, it achieved considerable progress in developing the complementary industries. Recent economic reports indicate that SABIC's producing industries continue to increase in number, reaching a total of 14 by the end of the third quarter of the current year.

Parallel to SABIC the Saudi government established the Saudi Industrial Development Fund whose function is to extend credit to private investors in industrial projects. In addition to that, the Saudi government provides these investors with other financial incentives, like renting land properties in industrial zones at symbolic prices and providing electric power and public utilities at subsidised prices. Riyadh also instructs public sector offices to purchase locally produced goods as a matter of priority.

Although the Saudi industrial sector is still at its early stages of development, contributing by around 10 percent of GDP as compared to close to 28 percent in developed countries, it is evident that efforts of the Saudi government were extremely fruitful. In the last three years Saudi exports achieved remarkable growth reaching \$6.13 billion in 1986. The majority of these exports comprised petrochemical products that were exported to close to 70 countries. This despite the fact that EEC countries have imposed a tariff on Saudi petrochemicals. During the first half of this year, SABIC's exports, consisting basically of petrochemicals, fertilisers and steel, brought in SR 2,405 billion (\$641.162 million) up from SR 2.380 billion in 1984.

It is no doubt that the Saudi economic diversification programme has achieved remarkable progress in recent years, thanks to the decisive efforts of the Saudi government. With the current relative stability in world oil prices and the revival of coherence among the member countries of Opec, Saudi Arabia is expected to recover its share of the world oil market. Its oil revenues are expected to be boosted. This will no doubt help the Kingdom to register more advances in its on-going bid for economic diversification.

## TUNISIA

### Prime Minister Opens Tunisian-Saudi Business Symposium

45190012c Tunis LE TEMPS in French 11 Dec 87 p 4

[Text] In opening the Second Tunisian-Saudi Arabian Business Symposium in Tunis on Wednesday, Prime Minister Hedi Baccouche hailed the affection and respect that Saudi officials and their leader, the servant of the two Holy Mosques, King Fahd bin 'Abd al-'Aziz Al Sa'ud, have always had and continue to have for Tunisia. He also hailed their support to and backing of our country in various fields of endeavor.

The prime minister stressed that the presence of such a great number of Saudi businessmen reveals the interest they have in economic and financial cooperation with Tunisia and its businesses. He mentioned that our two Muslim peoples have been united for more than 14 centuries by a common language, cultural identity and Arab-Islamic civilization that, all together, constitute solid ties that time has not altered.

Mr Baccouche noted that President Zine El Abidine Ben Ali had, in his declaration of 7 November 1987, been eager to stress the preservation of privileged relations between Tunisia and brotherly Arab countries and the strengthening of ties that unite us to these countries in various political and economic fields of endeavor.

The prime minister said, our people, that aspire to progress, can achieve their goals in economic and social development only within the framework of sincere cooperation with all nations, first of all with Arab nations.

The prime minister added that, on the basis of this unchanging principle and clear choice, the Tunisian Government will work to strengthen its relations with brotherly countries, those of the Maghreb as well as those of the Machrek, so that our endeavors will be united in the service of building our common destiny and in achieving our economic complementarity, the only way capable of assuring the dignity and invulnerability of our Arab nation.

Mr Baccouche expressed his high consideration for and his gratitude to Saudi Arabia, its sovereign, its government and people for the support it has continued to give Tunisia in its development efforts through various channels, primarily through the Saudi Fund for Development aid is concerned.

In this connection, the prime minister recalled that 14 loan agreements totaling 1,190 million Saudi rials, or close to 240 million Tunisian dinars, have been signed with this fund that has contributed and continues to contribute to the financing of several vital development projects. Mr Baccouche noted that this aid has affected all economic and social development sectors, including the exploitation of water resources.

The prime minister recalled the Saudi Fund for Development's participation in the financing of three dams, namely Sidi Saad, El Haouareb and Sejane-Al Saoud, as well as the financing of agricultural water projects and fishery projects, such as the Nafzaoua oasis development project, the expansion of the ports of Kelibia, Teboulba and Gabes, the integrated rural development program, as well as project dealing with transportation, education, etc.

Mr Baccouche indicated that Saudi Arabian support is not limited to aid given by the Saudi Fund for Development. Many investors, businessmen and financial institutions have also provided significant and very positive contributions to Tunisia's development work. The prime minister cited as examples of this the establishment of the Saudi-Tunisian "Beit Ettamouil," the work on improving the banks of the Lake of Tunis, as well as the Islamic international fair of Tunisia project.

Mr Baccouche expressed the joy and satisfaction of the Tunisian Government for this new orientation that proves the confidence of the Saudi investor.

He also expressed the hope that this orientation will be further strengthened in the near future to serve common interests.

Tunisia, he said, does not have any complexes in this regard because it offers the Arab investor encouragement, guarantees and advantages as well as other conditions capable of reassuring him and in giving him a feeling of security.

The prime minister added, "We, in Tunisia, are convinced that cooperation cannot be a one-way street. It must serve the common interests of the two countries so that each party profits from the means and experiences of the other."

"Speaking of this principle, Tunisia has placed its modest experiences in various fields of endeavor at the disposal of our brothers in Saudi Arabia. Consequently, bilateral technical cooperation has realized a distinct evolution, particularly in the fields of health, education, banking and electricity."

Mr Baccouche specified in this connection that about 4,000 Tunisian assistance personnel are presently serving in Saudi Arabia, while the number of Tunisian workers there is estimated at 14,000 all of whom are participating in development projects.

The prime minister reiterated in this connection Tunisia's complete readiness to provide technical assistance to the Saudi brothers in accordance with their desires and within the limits of Tunisia's modest capabilities.

Mr Baccouche added, "When we talk about the exemplary cooperation established between Tunisia and the Kingdom of Saudi Arabia we must not forget the vanguard role assumed by STUSID that organized the symposium. It was founded on 30 May 1981 with capital of 100 million dinars subscribed to and paid in full and at parity between the Tunisian and Saudi parties."

Mr Baccouche noted in this connection that the amount of investments approved by STUSID up to September 1987 came to 204,800,000 dinars that were used to finance 120 projects and of which 62,200,000 dinars were in the form of shares and 142,200,000 dinars in the form of loans.

The prime minister remarked that this solid joint institution has, since its beginning, made great efforts to have a number of private Saudi investors participate in several projects that it had planned, such as the Tunisian-Saudi Real Estate Company, the El Mountazah Company of Tabarka and the Jerba Fisheries Company, companies in which Saudi shareholders hold more than 40 percent of the capital.

Mr Baccouche then said, "Fruitful cooperation established between Tunisia and the Kingdom of Saudi Arabia is exemplary. However, we are making efforts to promote it further so that it will be worthy of the capabilities of the two countries and the aspirations of the two brotherly peoples."

"The importance that your symposium assumes is all the more great that it comes just a few months after the adoption of the seventh 5-year Tunisian plan that conferred on the private sector a choice place in investment and production and that instituted necessary reforms so that Tunisia might stand up to the challenges confronting it at this phase of its development work. Primary challenges are the employment problem, the strengthening of inter-regional balance, reducing development disparities among the regions and putting a handle on the balance of payments."

05671/06662

**Minister Discusses New Development Projects for 1988**  
*45190012b Tunis LE TEMPS in French 15 Dec 87 p 3*

[Text] In answer to questions by deputies during the debate on the Ministry of Planning's budget bill, Mr Mohamed Ghannouchi, minister attached to the prime minister's office for planning, laid out the details on next year's development program and explained the debt policy as well as regional development policy.

With regard to the development program, the minister described the improvement in the political atmosphere, both domestically and externally, thanks to the country's historic turning point since 7 November and said that the change had a profound impact on the process of development.

In this connection, he described measures taken and readjustments made since mid-1986 that had put an end to the deteriorating economic situation of the time and had permitted the implementation of a developmental program linked to the promotion of exports and a resurgence of domestic demands with regard to investments and more specifically to private investments.

Many recent measures come under this category, such as tax amnesty, the granting of additional advantages to investors in the field of agriculture, tourism in the Sahara, etc.

The minister, who exposed various parameters of the strategy adopted, described it as "ambitious and realistic" (growth rate, exports, investments, financial equilibrium, a handle on consumption, etc.).

Mr Ghannouchi issued an appeal to investors and businessmen to work harder and produce more in order to surpass the percentage of investments provided for within the context of the program by drawing maximum profit from the incentive measures taken by the government in this connection (industrial investments, progressive freeing of imports and exports, etc.).

Bringing up the matter of Tunisia's foreign debt, Mr Ghannouchi stressed that for a developing country like Tunisia recourse to foreign loans is necessary to stimulate development and increase the country's production capacity. The minister said, "What we must stress in this connection is that Tunisia has succeeded in taking good advantage of foreign loans by making proper use of them for reinforcing the effort made by the community as a whole for bringing about overall development of the country."

Mr Ghannouchi said that Tunisia's overall foreign debt would reach 4,500 million dinars by the end of the year, i.e. 60 percent of the gross domestic product, a sum, nevertheless, less than 200 million dinars envisaged in the plan.

The servicing of the debt will come to 820 million dinars in 1987, or 26.6 percent of foreign revenues, as compared to 27.5 percent envisaged by the plan. The minister emphasized that our policy in this field tends to reduce recourse to medium-term loans and to market conditions and to increase the share of long-term loans and at advantageous conditions. This latter category of loans has increased from 60 percent in 1986 to 65 percent in 1987, while it will go up to 69 percent by the end of 1988 and should rise to 76 percent in 1991 for overall foreign loans.

Speaking about regional development, Mr Ghannouchi stressed that the developmental effort undertaken on a national scale has its effects on development in various regions of the country in such a way that regional development remains one of the essential categories of the national developmental effort that aims at definitely and progressively reducing disparities among the various regions of the country.

The minister specified that regional development programs coming within the plans' framework aims at strengthening the basic infrastructure and increasing production capacities of the various regions.

He said, "Thus, besides the follow-up to projects undertaken and decisions made in favor of regional development together with other ministerial departments, the Ministry of Planning sees to it, through the intermediary of the General Commission for Regional Development and Town and Country Planning, to continue the implementation of the integrated regional development program that consists of 215 projects costing a total of more than 250 million dinars to benefit 20,000 persons. This program will experience a new start following the completion of the phase dealing with the drawing up of studies and ways and means to allocate credits in view of speeding up the rate in implementing certain projects of the program, mainly those dealing with well borings and equipment as well as improvement of pasture lands and agricultural roads in the northwest, central west and southern regions. The cost of these projects is estimated at 13 million dinars.

"Standardization of regional programs in 1988 will, moreover, permit a better coordination of actions decided on, while the volume of credits allocated to these programs will rise to 50.5 million dinars next year, compared to 44.5 million dinars in 1987, i.e., an increase of close to 12 percent, although that of the budget hardly surpasses 6 percent, something that shows the great interest that the government is continuing to have in regional development."

In response to a question by a deputy, the minister indicated that, besides the integrated regional development program, the state has already successfully begun the implementation of the Sned development project and is trying to complete as soon as possible the study dealing with the Beni Hbira and Belkhir projects.

At the same time, a decision has been made to strengthen the basic infrastructure in the governorates of the south by building a highway linking Nefzaou to Beni Guerdane through use of national and foreign funds, while means have been put at the disposal of banks to finance and implement industrial, agricultural and tourist projects in the south, in conformity with the decisions of the last inter-ministerial council held in this connection under the chairmanship of the chief of state.

05671/06662

#### Press Code Under Review

45190012a Tunis LE TEMPS in French 7 Dec 87 p 4

[Text] The examination of constitutional reform projects as well as those concerning the law on parties and the press code is continuing slowly but surely. The reason is that the issue is important and it is necessary to restore content and meaning to the basic values of Tunisia which, at a given period in its history, had ended up in disrepute, in an unnatural state and in delusion.

According to an authorized source, committees assigned to work on the reform of these three projects are close to completing their thinking on them. The national committee, that will be chaired by Mr Hedi Baccouche, will examine the results in the next few days and may submit the file to the government for debate by the council of ministers.

It is to be noted that three committees have been set up to examine the following issues:

1. Reform of the constitution.
2. Law on parties bill.
3. Press code bill.

With regard to the latter issue, we have learned that only some changes will affect the famous press code and consequently there will be no general revision. Nevertheless, the articles that are in the process of being "restructured" and that are considered as being "repressive" are the subject of a detail examination that reveals a concern for democratization as far as the press is concerned.

It has been learned that the committee has studied Article 13 of the press code relative to the delivery of written receipts as well as the declaration the interested party must submit to the Ministry of Interior that must give authorization to the person or persons who plan publishing a newspaper.

Two decisions could be adopted on this issue:

1. First of all, as far as political parties are concerned, the receipt must be delivered at once.
2. For the remainder, the Ministry of Interior will set a date, not exceeding 2 months, to answer the request.

A second article, no less important, appears to have been settled (at least on the committee level): this is Article 57 dealing with "libel."

As for Article 73 that deals with "suspension, something that is feared by the entire staff that manages a newspaper, this has been basically changed. Henceforth, only the issue called into question will be "seized." The court alone will be responsible for ordering the seizure.

05671/06662

## BANGLADESH

**Ershad Chittagong Speech Scores 'Terrorism, Vandalism' [THE BANGLADESH OBSERVER, 4 Dec 87]**

46001163 Dhaka THE BANGLADESH OBSERVER in English 4 Dec 87 pp 1, 8

[Text] Chittagong, Dec. 3—President Hussain Muhammad Ershad today said the politics of destruction and terrorism let loose in the name of movement since November 10 has been seriously affecting social peace, national economy and stability to the detriment of the interest and cause of the common people, reports BSS.

Addressing the divisional and district-level officers of Chittagong at the Customs House auditorium here, the President said this is more serious in the wake of the recent unprecedented floods in which the losses to crops and properties ran to well over Taka three thousand crore.

He said by efficient handling of the flood situation, which was also acclaimed the world over, we saved people from dying of starvation and the national efforts are still on for post-flood rehabilitation.

The President said he could not understand the timing and also the ultimate goal of the movement which is not only affecting the economy and social peace, but at the same time blocking democracy to have its institutional growth. The President wondered as to who would benefit from this situation which would make life subservient to terrorism, vandalism, indiscipline, and turn Bangladesh into a market for others in the face of non-functioning of industries and economy and with its stability and sovereignty being at stake. Surely not the vast majority who aspire to see peace and progress and improvement of their quality of life, he observed.

President Ershad said there were democratic norms to ventilate ones' opinion about any Government, but the terrorism and vandalism which marked the present movement in the name of democracy cannot deliver the goods to the nation. Once frankenstein is let loose, it will not spare its creators, he said adding: the promoters of terrorism should not suffer from any complacency as in the ultimate analysis all, including they, will also be swept away by such acts.

He called upon the people to understand the real design behind the movement instead of judging it on face value as such movements will ultimately hit the very basis of the country. He urged all to build up social resistance against terrorism and anarchy. Otherwise, he observed, terrorism will be rule of law of democracy in Bangladesh and life will depend on their mercy.

The President said every citizen has a social responsibility and they must use their conscience to stand united against this ominous trend of politics. Otherwise, he said no government can survive here for more than a month.

He said whenever Bangladesh gets some stability and economic progress, it faces such destabilisation effect out of negative politics and we must realise this trend which is affecting our national interest to maintain our progress and entity.

President Ershad said being reposed with the responsibility of running the country by the electorate, he has a duty to the nation and with much reluctance he had to proclaim emergency as per constitutional provisions to safeguard national interests against terrorism and indiscipline.

"We firmly believe that political problems can be solved politically without jeopardising national economy, social peace and stability, he said adding: With great goodwill, we are now releasing the detenus to create a climate to settle political problems through discussions. He hoped that keeping national interest aloft, all will act positively to resolve political issues through understanding.

President Ershad asked the Government officers and employees to be true and sincere to their duties and responsibilities. "Your failures will be dangerous for the society and the people," he said, thanking them for their service to the nation.

Earlier, President Ershad visited the Chittagong Port and saw the Q-shed which was burnt down by a devastating fire recently. He asked the concerned authorities for proper storage of combustible items. The President also saw the working of the port and was informed that steady unloading of foodgrains are maintained at the port to ensure meeting of the gap in the inland areas following the floods.

07310

## Chinese Communists Support Emergency Measures

46001162 Dhaka THE BANGLADESH OBSERVER in English 1 Dec 87 pp 1, 6

[Text] Beijing, Nov. 30—The Communist Party of China today extended support to the measures taken by President Ershad for restoring peace, normal life and stability in Bangladesh, reports BSS.

The support was conveyed by the General Secretary of the CPC, Zhao Ziyang when the visiting Secretary General of Jatiya Party DPM Shah Moazzem Hossain called on him at the party central office.

Mr Zhao Ziyang expressed his concern at the recent disturbances in Bangladesh and hoped for an early restoration of normal life and political stability in Bangladesh.

"We can understand the measures taken by President Ershad for restoring peace and stability in Bangladesh and we support them" the General Secretary of the CPC said.

Mr Zhao Ziyang appreciated the role of President Ershad in promoting friendship with China and hoped that the existing bond of friendship and cooperation would be strengthened in the future.

The CPC General Secretary expressed his solidarity with President Ershad for promoting bilateral economic cooperation for rapid development and improvement of the living conditions of the two peoples.

He pointed out that the people of Bangladesh have long been struggling against the foreign interference in internal affairs.

Mr Zhao Ziyang recalled the visit of President Ershad to China last July and said that his (Ershad) visit was most successful and as a result the friendship between the two countries has been enhanced.

Mr Zhao Ziyang pointed out that "though the Jatiya Party of Bangladesh had been formed only two years ago, you have done a lot in such a short period. I hope the JP would be able to consolidate the national independence and sovereignty of Bangladesh."

07310

#### **Deputy Prime Minister on Visits to PCR, DPRK**

*46001164c Dhaka THE NEW NATION in English  
4 Dec 87 pp 1, 8*

[Text] Deputy Prime Minister Shah Moazzem Hossain returned home yesterday evening after a two-nation 'goodwill' visit to China and North Korea.

He told BSS on arrival that his week-long mission was "successful" in that it provided an opportunity to forge greater cooperation and relations between Bangladesh and the two friendly countries.

The DPM, who is also the Secretary General of the Jatiya Party, said the mission was designed to establish greater "party-to-party" contact, and through the parties, closer "people-to-people" contacts.

Shah Moazzem led a six member delegation of the Jatiya Party to China and North Korea at the invitation of the communist parties of the two countries.

He said the top leadership in the two countries appreciated "the constitutional steps" taken by President Ershad in the context of the country's existing political situation.

The DPM said Chinese Communist Party General Secretary Zhao Ziang also appreciated the efforts of the Bangladesh government in continuing the country's democratic process and expressed the hope that the nation would soon overcome its political problems.

The Chinese government, he said, also held out the assurances for continuing its economic cooperation programmes with Bangladesh and said those would be further expanded in the years to come.

Shah Moazzem said President Ershad was regarded as an architect of new Bangladesh by the leaders and peoples of China and North Korea.

During the visit, the Deputy Prime Minister and his delegation were given warm welcome in both countries where they had a series of talks with party and government leaders.

The Bangladesh delegation also visited different industrial and agricultural establishments and provinces in the countries.

The Deputy Prime Minister said North Korean President Kim Il Sung was all praise for the development activities undertaken in Bangladesh under the leadership of President Ershad.

He said the North Korean leader had also invited President Ershad to pay a state visit to Pyongyang sometime in May or June next year.

The Deputy Prime Minister was welcomed back home by Jute Minister Zafar Imam, State Minister for Works Sheikh Shahidul Islam and Jatiya Party leaders and workers at the airport.

07310

#### **Bangladesh, GDR Deputy Ministers Hold Dhaka Talks**

*46001168 Dhaka THE BANGLADESH OBSERVER in English 7 Dec 87 p 8*

[Text] Bangladesh and German Democratic Republic on Sunday held "constructive and fruitful" talks to enhance the existing bilateral cooperation between the two countries, reports BSS.

The two sides also exchanged views on international issues and other matters of common interests and found identity of view on many of these subjects.

Deputy Foreign Minister Wazed Ali Khan Panni led the Bangladesh side in the talks while the GDR side was headed by visiting Deputy Minister for Foreign Affairs Dr H.D. Winter, who arrived in Dhaka on Saturday on a four-day visit.

Mr Panni was assisted in the talks by Additional Foreign Secretary Hərun-ur-Rashid and other senior officials of ministries of Foreign Affairs, External Resources Division, Commerce and Youth and Sports.

The GDR Minister was aided by Dr Karl Fischer, Counsellor, Ministry of Foreign Affairs and GDR Ambassador in Bangladesh Klaus Maser.

On the bilateral plan the two countries discussed ongoing cooperation at different levels and ways to further bolster the cooperation.

Mr Panni told newsmen that the two sides expressed their keen "desire" to expand cooperation and stressed the need for greater economic relationship. The two sides also expressed their readiness to further extend the present barter protocol for a two-year term from January, 1988.

Bangladesh has proposed six projects for cooperation in the areas like textiles and chemicals. Bangladesh has also offered to meet the entire raw jute requirement of the GDR. Two countries also stressed the need for cooperation in cultural and sports arena. GDR is a force to reckon with international sports.

On the international side the two delegations reviewed the current global scenario including disarmament, world economic condition, major global political issues and other subjects. Both sides have stressed the need for world peace and tranquility and called for total disarmament. GDR has special stakes in the disarmament because of its geographical location, Dr Winter said.

About the world crises, the Afghan situation, the Kampuchean tangle, the Middle East situation and the Southern Africa figured prominently in the discussions.

"The talks will help further cement the relationship between the two countries," said Mr Panni.

07310

#### New Deputy Prime Minister Sworn Into Office

46001166 Dhaka THE BANGLADESH OBSERVER in English 6 Dec 87 p 1

[Text] Minister for Local Government, Rural Development and Cooperatives Shah Moazzem Hossain on Saturday took oath as Deputy Prime Minister, reports BSS.

President Hussain Muhammad Ershad administered the oath of office to Shah Moazzem Hossain at a simple ceremony held at Bangabhaban.

Shah Moazzem Hossain, who was earlier appointed Deputy Prime Minister by the President, will retain his previous portfolio of the Ministry of Local Government, Rural Development and Cooperatives.

07310

#### Information Minister Discusses Emergency With Editors

46001164b Dhaka THE NEW NATION in English 4 Dec 87 pp 1, 8

[Text] Information Minister Anwar Zahid yesterday said the government was optimistic about the success of its initiative for holding meaningful dialogue with a view to arriving at a peaceful solution to crisis now being confronted by the country, reports BSS.

Meeting with the editors of the national weeklies at the state guest house "Padma" here, the Information Minister explained the circumstances and the compulsions for which President Ershad had to promulgate state of emergency. He said the emergency was a constitutional measure and a temporary one. But he explained since the emergency was declared and the provisions of fundamental rights guaranteed in the constitution had been suspended, the government sincerely hope that all newspapers including the weeklies would strictly adhere to the law of the land.

Having a free and frank discussion on the national issue with the editors, Mr Zahid, who is also in charge of the Ministry of Labour and Manpower, said that as the emergency was proclaimed and restrictions on press coverage were imposed the government was not going to take lenient view of any violation of the rules.

He explained the view point of the government saying that under any circumstances the government of President Ershad could not allow the country to be plunged into lawlessness and uninterrupted violence in the name of political activities. He said it was a new phenomenon in Bangladesh politics that the violence and bombs had taken an inroad threatening of the economic infrastructures of the country. No democratic government can allow such violence and destructions for an indefinite period, he observed.

Mr Zahid said for the greater interest of the nation's stability in politics and economy there had to be a national consensus on the basic issues. Unfortunately, the Information Minister said, we could not reach a consensus even after several changes in the constitution of the country.

Explaining the speech of President Ershad who offered dialogue with the opposition parties and agreed to hold elections much ahead of schedule through national consensus to overcome the present tangle, the Information Minister expressed his optimism about the prospect of dialogue and hoped that things would take a positive shape shortly. It has to take a positive shape because no country particularly a country like ours can afford such endless political instability, he remarked.

He also pointed out that after the promulgation of emergency the situation in the country was getting normal. In this context, he expressed his regret over some reportings in a section of foreign media and said that the reportings of those media were far from reality.

Information Secretary Nurun Nabi Chowdhury was present.

07310

#### Foreign Ministry Policy on Press Coverage Reported

##### Instructions to Officials

46001170 Dhaka THE NEW NATION in English  
14 Dec 87 p 1

[Text] All level of officials at the Foreign Office are under strict instruction not to talk to any journalist.

The instruction was conveyed by Foreign Secretary Nazrul Islam himself. He had convened a meeting of all Foreign Office officials on Thursday last to transmit the instruction from high above.

The step has been taken to prevent embarrassing leakages. Earlier the top floor of the Foreign Office was made a "prohibitory area" for the journalists.

Meanwhile Additional Foreign Secretary Harunur Rashid Chowdhury has been made Bangladesh Ambassador to Geneva. He replaces Ataul Karim who is going to Washington.

Harunur Rashid was earlier made Bangladesh Ambassador to France but the decision was reversed at the last moment.

Chief of Protocol Ambassador Mohsin or Principal, foreign affairs training institute Ambassador Humayun Kabir is likely to fill the void in the post of Additional Secretary. Both are holding the rank of Additional Secretary.

Reaz Rahman, Bangladesh Ambassador to Algiers, is being called back home for a posting at the head office.

##### Explanation From Ministry

46001170 Dhaka THE BANGLADESH OBSERVER in English 18 Dec 87 pp 1, 12

[Text] A spokesman of the Ministry of Foreign Affairs on Thursday ruled out the question of any discriminatory restrictions on the members of the media, reports BSS.

When his attention was drawn to an item recently published in a section of the Press implying certain restrictions on the entry of newsmen into Foreign Office, the spokesman said the Ministry of Foreign Affairs continues to solicit the goodwill and cooperation of the media and assured them of all courtesy and cooperation.

In his clarification, the spokesman said the Foreign Ministry as subject to rules and regulations of the Government formulated from time to time for the entire Secretariat and there was no question of any extraordinary restriction in the Foreign Officer adversely affecting the accredited representatives of the media.

He said as is the case in any Department of the Government specially those dealing with highly sensitive matters, it is the practice in all Foreign Offices in the world without exception that only accredited representatives of the media are allowed entry into the Foreign Office to meet officers who are authorised to speak on behalf of the Government in respect of external relations.

The spokesman emphasised that the Foreign Minister believes in the concept that the Foreign Policy of the country must reflect the hopes and aspirations of its people and in that context he has always been accessible to the representatives of the media whenever an interview has been sought and whenever his schedule has permitted him to accommodate that request. He intends to continue that practice, the spokesman added.

He said that the Deputy Foreign Minister also was similarly disposed.

The spokesman said the Foreign Secretary was the authorised spokesman of the Government in respect of international relations. He has been meeting representatives of the media at regular intervals.

He further elaborated that the Foreign Secretary, in his recent meeting with officers of the Ministry, reminded them of their duties and obligations, both with regard to their work as well as their obligations under Government Servant Conduct, Rules and Official Secret Acts to which they are subject.

The spokesman said that certain areas of Foreign Office have been identified by security experts as highly sensitive and in accordance with security requirement of the

state and keeping with the neighbouring states, have been declared as double protected areas and only authorised personnel on official business are normally allowed there.

07310

### Developments in Bangladesh-Soviet Trade, Cooperation

#### 17th Barter Protocol

46001175 Dhaka *THE BANGLADESH OBSERVER* in English 4 Dec 87 p 1

[Text] Moscow, Dec. 3: Bangladesh will export goods worth about Taka 200 crore to the Soviet Union under the 17th Barter Protocol signed here today between the two countries, reports BSS.

The Barter Protocol for 1988 was signed between the two countries following several days of negotiations at the official level.

Commerce Secretary A.B.M. Ghulam Mustafa led the Bangladesh delegation while the Soviet side was led by the Deputy Minister for Foreign Trade, Mr Y.P. Bovrin. The six-member Bangladesh delegation also included Bangladesh Ambassador to the USSR, Mr Reazul Karim.

Of the total volume goods worth Taka 120 crore will be exported under the Barter arrangement and the rest for credit repayment.

The new Barter Protocol between the two countries opens up the possibilities of more than doubling the export figures from Bangladesh to the USSR.

More rapid growth is envisaged for ready made garments which is poised for an increase of 15 crore taka in 1988, from only six crore taka in 1987.

Export of crust and finished leather is also expected to rise twofold.

Other important items of exports are jute goods, raw jute and tea. Provisions have also been made for export of non-traditional items like telephone cable, razor blades, synthetic paints, cosmetics and toiletries.

Bangladesh will be importing machinery, diesel, cotton, zinc ingot and cement from the Soviet Union.

#### Joint Chamber Accord

46001175 Dhaka *THE BANGLADESH OBSERVER* in English 4 Dec 87 p 8

[Text] A joint chamber agreement was signed on Thursday at World Trade Centre in Moscow between the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) and the USSR Chamber of Commerce and Industry, a FBCCI Press Release said in Dhaka, reports BSS.

The joint chamber agreement was concluded to facilitate continuing contacts between members of the two Apex chambers and to further promote commercial and industrial cooperation between Bangladesh and the Soviet Union.

The signing ceremony was attended by the Soviet Deputy Minister for Foreign Trade, Mr Ye P. Bovrin, the visiting leader of the Bangladesh trade delegation and Commerce Secretary, Mr A.B.M. Golam Mostafa, and the Bangladesh Ambassador, Mr. M Reazul Karim besides senior Bangladesh and Soviet officials.

07310

### Paper Reports Parliament Dissolution, Ershad Speech

#### Parliament Session Reviewed

46001167 Dhaka *THE NEW NATION* in English 7 Dec 87 pp 1, 8

[Text] The third parliament (Jatiya Sangsad) of the country which came into being through polls on May 7 last year was dissolved yesterday.

The decision to this effect was taken by President Hussain Muhammad Ershad in accordance with the power conferred upon him under Article 71 (I) of the Constitution of the country, said an official announcement.

The 330-member Parliament had 300 members elected by the people and 30 women members chosen against the fixed quota for women.

The Parliamentary polls were participated by 28 political parties including the Jatiya Party headed by President Ershad, Awami League, Communist Party of Bangladesh, NAP, Bangladesh Workers Party, JSD (Siraj), a segment of Baksal, Gana Azadi League, Samyabadi Dal (Taoha), Jamaat-e-Islami Muslim League, JSD (Rab) and Khelafat Andolan.

On the other hand, the BNP-led Seven-party Alliance, five components of the now-defunct 15-Party Alliance, the major segment of Baksal and a number of small parties including a segment of Khelafat Andolan rejected the polls held under martial law.

It may be pointed out that before the decision on participation in the parliamentary polls under martial law was taken by eight components of the now-defunct Fifteen-Party Alliance, a coordinated movement was being carried on by the 15-Party and the Seven-Party alliances and Jamaat-e-Islami on the basis of a five point movement aimed at forcing the government to hold polls by lifting martial law.

But on March 21 last year, eight parties which were components of the Fifteen-Party Alliance opted for participation in the elections under martial law and its five components—Workers Party of Bangladesh (Menon), SKSD, JSD (Inu) and two factions of BSD expressed themselves against the polls.

The final results of the elections were that the Jatiya Party had captured 153 seats, Awami League 77 seats, Jamaat-e-Islami 10 seats, NAP 6, Communist Party of Bangladesh 5, Workers Party (Nazrul) 3, JSD (Siraj) 3, Baksal faction which later merged itself with Jatiya Party 3, Muslim League 4, JSD (Rab) 4 and Independent 32.

Out of 32 independent MPs, 26 joined the Jatiya Party, one Awami League and one Communist Party. The remaining independent MPs were Ahmedul Kabir, Laila Siddiqui, Makbul Hossain and Shahjahan Khan.

With the death of three Awami League MPs and one CPB member, merger of Baksal with the Jatiya Party and election of 30 women MPs, the Jatiya Party strength in the parliament rose to 217 including 30 women members, three Baksal members and those elected through by-elections.

With the joining of one independent MP, the CPB strength in the parliament rose to 6 but it fell to 5 with the death of its General Secretary Mohammad Farhad.

With the death of Awami League MPs Abdul Malek Ukil, Mohammad Ilias, the party strength was reduced to 74. The position of other parties remained as before.

After the elections, the Awami League and other opposition parties which had taken part in the elections had alleged that the election results were manipulated through "robbery of votes" and "media coup."

The Parliament went into its first session on July 10 last year. The second session boycotted by the MPS of Awami League, CPB, Jamaat-e-Islami, NAP and Workers Party passed the Seventh Amendment to the Constitution validating the proclamation of martial law and all actions taken under martial law which was proclaimed on March 24, 1982.

The opposition MPs Belonging to JSD (Siraj), JSD (Rab), a segment of Baksal, Muslim League and independent MPs Ahmedul Kabir and Laila Siddiqui voted on passage of the bill. Independent MP Shahjahan Khan, who later claimed to be a leader of JSD (Inu), joined the boycottists.

The second session of the parliament lasted only seven days. It was followed by two other lengthy sessions. The fourth and the last session of the parliament which passed the budget for the current fiscal year ended in July this year.

The District Council Bill which was objected to by the opposition in the parliament was passed in the budget session. The bill was subsequently sent back to the parliament by the President in view of a movement by the opposition.

JSD (Rab) parliamentary group leader A.S.M. Abdur Rab advocated dissolution of the parliament to pave the way for holding mid-term polls. While participating in the discussion on the address of the President at the second sesion of the parliament, he also argued in favour of participation in a parliament comprising representatives of different social and professional groups. His concluding speech on the vote of thanks for the presidential address was boycotted by the opposition members as well as a large segment of the ruling Jatiya Party MPs.

On the eve of dissolution of the parliament, all the ten Jamaat-e-Islami MPs and independent MP Shahjahan Khan, who is now as JSD (Inu) leader, resigned from the parliament while the Awami League parliamentary party was split up over the issue of resignation from the parliament. Its presidium took decision in favour of resignation wile forty MPs of the party in an emergency meeting held on Saturday empowered party chief Sheikh Hasina, now interned, to take final decision on resignation of the party MPs.

Ten by-elections have been held so far in Nilphamari-1, Sirajganj-2, Dhaka-9, Gopalganj-3 and Gopalganj-1, Sunamganj-3, Noakhali-5, Manikganj-2 and Naogaon-3 constituencies.

The Election Commission had recently notified dates for two more by-elections.

#### Ershad 11 December Speech

46001167 Dhaka THE NEW NATION in English  
12 Dec 87 pp 1, 8

[Text] Panchbibi (Jaipurhat), Dec 11 (BSS): President Hussain Muhammad Ershad said today that election was the only constitutional means to overcome the situation now facing the nation.

He said there was no alternative to elections for achieving peace and discipline in the society and hoped that everybody would realise the situation and come forward to solve the problems through elections.

Addressing two mammoth public meetings at Panchbibi and Chak Barkat in Jaipurhat district, the President said he had dissolved the parliament to clear the way for holding fresh elections to get electoral mandate on various national issues.

He said elections would be held within 90 days of the dissolution of the parliament and the responsibility of running the country would be handed over to the party which would come out victorious in polls.

The President said 'this is the constitutional way to overcome the situation and we cannot do anything beyond the purview of the constitution.'

#### BBC Role

Referring to the role being played by the BBC in fomenting trouble by meddling into the internal affairs of Bangladesh and inciting the members of the Armed Forces, President Ershad regretted that when bomb attack was made on the British Prime Minister, the BBC described the incident as terrorist act, but when a Bangladesh minister was injured in a bomb blast the radio termed it as part of democratic movement.

He said this broadcasting medium had been suffering from self-contradiction. In one hand these people had been inciting our Armed Forces and on the other, they hanged thousands of local members of the army when they staged a rebellion against the British rulers in the famous 'Sepoy Mutiny' of 1857, he pointed out.

The President said these elements had become alarmed at the rapid rate of our development because they did not want to see that our country become self-reliant. They wanted that we remain dependent on them forever, he said.

#### Slogans

President Ershad referred to the slogans "Epar Bangla, opar Bangla ek hao," appeared recently in the walls of the capital and said similar slogans were also raised when an unruly mob attacked the Bangladesh Deputy High Commission office in the West Bengal capital of Calcutta.

He said Bangladesh is an independent and sovereign country. "We have our own distinctive culture and heritage," he said adding: "these slogans are against the very entity of our nationhood and we cannot allow this to continue."

The President said some political elements wanted the constitution as it was in 1972. But, he declared that since the people of the country believed in Bangladeshi nationalism and incorporated Birmillahir Rahmanir Rahim in the Constitution, we cannot allow these elements to change these basic things of the constitution against the wish of the people.

He said amidst applause and welcome slogans "I will defend Bismillahir Rahmanir Rahim as it has been incorporated in the Constitution till the last drop of my blood."

#### Hartal

The President said the opposition movement of hartal and disruption was a conspiracy against the independence and sovereignty of the country. "We shall protect our independence and sovereignty at any cost," he said and urged the people to thwart this conspiracy against the country independence and sovereignty.

He mentioned about the hindrances created due to the disruption in communication system in the post-flood relief and rehabilitation programmes as a result of the opposition movement and said they did not care if their action would increase agony and distress of the innocent flood affected people.

President Ershad said their only aim was to grab power at any cost. They are even ready to ride on the distress of the people to power, he said adding: all this indicate that they never wanted betterment of the people in the past nor they wanted it in future.

He urged the people to identify these elements who had been making their lives miserable to fulfill their own lust for power and said the people would spontaneously resist the designs of these elements. He said those who had been negating the progress of the country by calling frequent hartals from their cosy houses in the capital, themselves had no economic problem. The main victims of their agitation were the peasants, the workers and the day labourers had to suffer because of disruption and anarchy, he said.

#### Elections

President Ershad asked the gathering whether they wanted peaceful polls to overcome the situation, the people replied in affirmative and raised slogans in favour of elections and denounced hartal and politics of disruption and anarchy.

He referred to the post-flood relief and rehabilitation programme launched by the government and urged the peasants to cultivate winter crops including wheat to make good their losses they suffered in the floods. He also urged them not to keep any land vacant.

The President said the government had been providing CI sheets and financial assistance to the flood victims who had lost houses in the floods to rebuild their houses.

He said the efforts of his government were aimed at improving the quality of life of the common people. With that end in view, he had been making allout endeavours so that the people could be provided with the minimum basic requirements for life.

At Panchbibi, the President announced a grant of Taka five lakh for the educational institutions of the upazila and said the local boys and girls high schools would be made government institutions.

Immediately after his arrival at Panchibibi, the President was briefed about the development programmes undertaken by the upazila administration for improving the lot of the commonman. The upazila officials also informed the president about the progress of post-flood relief and rehabilitation activities.

President Ershad said the government was determined to overcome losses due to floods which ran into thousands of crores of taka Inshallah we shall make good the losses he said.

He said the government was also determined to build the bridge over the river Jamuna. Once we can build the Jamuna bridge it would greatly contribute to the economic development of the western side of the river he said.

#### Teachings of Islam

President Ershad told the gathering at Chak Barkat that teachings of Islam and ideals of Prophet Hazrat Mohammad (sm) can only emancipate the people and help in building a happy and prosperous society. In this context, he referred to the social and economic progress made by Muslim nations in the early days of Islam and said at that time all their activities used to be performed centering the mosques.

He said he had been making allout efforts to reflect the values and ideals of Islam in the society so that the people could perform their religious and social activities faithfully adhering to the tenets of Islam.

The President offered his Juma prayer at the mosque at the orphanage complex built by Huzrat Mujibur Rahman Chisti. After the prayer, a munajat was offered for the peace, progress and prosperity of the country and solidarity and unity of te Muslim ummah.

He also laid the foundation stone of a mosque at the complex. Then he visited the orphanage and presented some gifts among the children.

President Ershad was given rousing receptions at both the places by thousands of people from all walks of life. They lined up on both sides of the route and raised welcome slogans and greeted the President with clapping. They also showered flower petals on him and garlanded him profusely.

07310

#### Paper Reports on 1987 Extended Meeting of Jatiya

##### Ershad 18 December Speech

46001173 Dhaka THE NEW NATION in English  
19 Dec 87 pp 1, 8

[Text] President H. M. Ershad has ruled out the possibility of promulgation of martial law in the country and declared in unequivocal terms that elections would be held according to the constitutional provisions as in the past.

It is now up to the political parties to decide whether they would participate in the election or not he said while addressing an extended meeting of the Jatiya Party at the Engineers institution in the city yesterday.

President Ershad told the leaders of the ruling party and its front organisations who packed the auditorium of the Engineers' Institution that the opposition had been spreading a rumor with regard to martial law which, he said, was totally baseless and designed to mislead the people.

"I am the commander-in-chief of the Armed Forces and it is me who would instruct the Army what it should do and when," the President said turning to the JP leaders and workers and added "therefore you should have no confusion or doubt of the promulgation of martial law in the country."

Dispelling a growing confusion among the partymen, he declared firmly that he would continue to remain as the President and the chairman of the Jatiya Party and his Council of Ministers would also remain as it was now, we have come to stay he said adding only that they will go when the people will reject us through election.

As the President made his position clear the district level leaders and the former members of Parliament burst into jubilation and raised full-throated slogans "Ershad, you move ahead, we are with you" while the ministers and the central leaders of the JP who occupied seats in the front rows were visibly beaming with joy.

The extended meeting, second in the last three months was also addressed by party, Secretary General and Deputy Prime Minister Shah Moazzem Hossain and Joint Secretary General and Jute Minister Jafar Imam. It was attended by the Vice-President, Prime Minister,

ministers, central leaders of the party and its front organisations, former MPs, presidents and secretaries of the district units of JP and the ward chairmen of Dhaka city.

Justifying his recent steps, President Ershad said he had proclaimed state of emergency in order to put down terrorism in the country and dissolved the parliament accepting a challenge of the opposition to test his party's popularity in an electoral battle. Besides, he said, some parties had brought charges of rigging in the last election and that Jatiya Party should not go on with these charges.

He said, "I am ready for election and we will not compromise with anybody." He said there was no reason for us to be scared and added we have to establish a constitutional government through election fighting terrorism uncompromisingly. The President said that election was the only means of transfer of power and pointed out that no government could be changed in accordance with the demand of the opposition.

The President asked the party leaders to go back to their respective areas and prepare for the election which he described as 'very significant.' He said only the eligible persons would be given nomination this time because Jatiya Party would have to win two-third majority in the election. The President said we have arrived at a point of no return like the famous Muslim ruler Khaled Bin Walid who conquered Spain.

President Ershad said there was no instance in any country of the world that the ruling party had persuaded the opposition to participate in election. He said the election would be held according to the constitutional provisions as in the past and it was now up to the political parties to participate in it or not. This is the normal system, he said and asked the partymen to uphold it.

He said there should not remain any conflict or difference within Jatiya Party as all members of it would have to struggle unitedly against terrorism, indiscipline and anarchy. He asked them to work with him shoulder-to-shoulder and remain prepared for greater sacrifice, if necessary, for upholding the ideals of the organisation and serving the cause of the people remaining faithful to the tenets of Islam.

The President wondered how those who claimed to have declared the war of independence could be involved in conspiracies against national independence and sovereignty and could try to bring the people under foreign domination. At this stage, his speech was punctuated with the slogan raised by the Jatiya Party men "beware of the Indo-Soviet agents." He said JP must foil this conspiracy as its main responsibility today was to safeguard the independence and sovereignty of the country.

He said we want to overcome the present political crisis by taking part in the election. In this connection he said those who did not have the courage to face the electoral battle were now demanding a "neutral and nonpartisan government" just like playing of a broken HMV (his master's voice) record. Without naming he said it was that political party which immediately after the independence adopted all unfair means in election including rigging, ballot dacoity and air-lifting of ballot boxes.

In his hour-long speech, the President blasted what he termed the opposition's politics of hartal, terrorism and bomb explosions discarded by the people. Referring to a statement by an opposition leader that the movement was now in the hands of the people, he said, in fact, the movement was now in the hands of some bomb-throwing people. He said the people wanted peace, progress and discipline, pursued by the Jatiya Party.

The JP workers must hold high the National Flag which some quarters were trying to hand over to others, he said and asked the partymen to uphold the image of the organisation before the people. He said, "If we are to die, we will die once for the cause of national independence and sovereignty, upholding the ideals of the party, not selling out the interest of the country to others." He said every JP leader and worker should take a vow today that "we will sacrifice our lives but not our honour and shed our blood but not discard our ideals.

The President said his government and party were not afraid of the "mass movement." He referred to the killing of a Partyman in Pabna recently and said that many might have to make supreme sacrifice like this in the future for upholding the principle of the organisation. He announced a grant of Taka one lakh for the family members of the killed, Secretary of Sujanagar unit of JP, and declared "it is my responsibility to look after the family members of that worker who will lay down his life for upholding an ideal."

President Ershad also bitterly criticised the opposition's hartal programme and said the country was incurring a loss of Taka 150 more per day during such programme. He said the people were now fed up with the hartal programme and added it would die down automatically if the opposition further went ahead with it and then the politics of hartal would cease to have any effect at all.

### Summary of Resolution

46001173 Dhaka THE NEW NATION in English  
19 Dec 87 pp 1, 8

[Text] The Jatiya Party in its extended meeting 1987 yesterday resolved to strengthen the party activities to spread President Ershad's and party ideals and programmes at the grassroots level reports BSS.

The resolution read by the party's Publicity Secretary Mahbubul Huq Dulan said that the party would continue to hold meetings and conduct other activities within the context of indoor politics permitted by the government.

The resolution said, at a time when the nation had achieved stability, economic development, its rightful place among other nations and was moving forward under an elected government certain political parties and alliances were active in pushing the nation towards darkness. Both local and foreign quarters were involved in a conspiracy to stop the country's progress, it added.

The revolution said that in spite of opposition activities the President had set a unique example of statesmanship by relaxing press curbs, releasing opposition political leaders and dissolved the parliament to solve the present constitutional crisis only within a week of declaring emergency. The JP hoped that all quarters would appreciate such confidence and respect for democracy by President Ershad, it said, adding, those who would remain adamant would face the consequences.

The resolution also called upon the democratic people of the country to solve the present crisis by analysing the situation with an open mind.

It said the President had given a great chance to the opposition by paving the way for elections and urged them to give up terrorism and participate in the elections, without which there can be no other solutions to the present crisis.

The resolution pointed out that the demand for the resignation of President Ershad and elections under a non-partisan caretaker government was in the eyes of the party, an illogical and irregular demand. The constitution has no such provision and the JP demands the holding of elections according to the constitution, it said, adding, such demands by the opposition were only a smoke screen.

The resolution also noted with concern that forces which were hostile to the country's independence and sovereignty were active both inside and outside the country. The attack on the Bangladesh High Commission at Calcutta, recovery of similar kinds of bombs used at the Calcutta mission, attackYat a local political party's office and the reemergence of Joy Bangla along with writings like 'epar Bangla opar Bangla' on the city walls were examples of conspiracies hatched by such forces, it said.

The resolution further said that President Ershad had consolidated the country's independence and sovereignty in spite of outside pressure during his six years rule and the JP was determined to foil all conspiracies and uphold the country's sovereignty and independence.

The party, the resolution said, believed in democracy and thus welcomes the President's announcement for elections. The JP called upon the party members at all levels to take necessary preparations to participate in the elections, it added.

The resolution pointed out that the JP would once again prove that elections were the only way to go to power and had already taken steps to prepare for the elections.

The extended meeting called upon the party leaders and workers at all levels to make pre-election programmes a success.

It advised the leaders from union toward level to immediately form full committees, where such committees were yet to be formed.

State Minister for Youth and Sports Mustafa Haider while moving the obituary resolution in the meeting said the Jatiya Party paid homage to those leaders and workers of JP who died in different places since the party's last meeting.

He said the party expressed its heartfelt sympathy to the members of the bereaved families.

Mr Haider said a number of JP leaders and workers were killed and injured by the violent activities of the opposition parties throughout the country recently.

He said the General Secretary of Shujanagar upazila under Pabna was killed by miscreants. His death was a great loss to the party, the State Minister said.

He said Textile Minister Sunil Gupta and joint agriculture secretary Azad Sultan were injured by bomb attacks unleashed by those who believed in violence.

Mr Haider said JP expressed its deep sympathy and prayed for their early recovery.

The state minister also mentioned that during the last three months a number of personalities in the country's political arena had expired.

He said elder politician Abdul Malek Ukil former minister Abdul Halim Chowdhury, Mr Muhammad Toaha, Mr Muhammad Farhad and Moulana Abdur Rahim were no more with us.

He said we pay our deep respect for their significant contribution in their respective fields of national life and pray for the peace of the departed souls.

### EEC To Fund Flood Control Project Feasibility Study

46001164a Dhaka *THE NEW NATION* in English  
4 Dec 87 pp 1, 8

[Text] The European Community will fund the feasibility studies of a flood control drainage project and a cyclone protection scheme in Bangladesh, reports BSS.

An amount of 4.49 million dollar has been sanctioned by the Community for undertaking the feasibility studies, according to message received in Dhaka from the European Commission's headquarters at Brussels.

After the studies are completed, the work would be jointly financed by the International Development Agency (IDA) and the Government of Bangladesh.

The EEC contribution for undertaking the feasibility study of the cyclone protection project would be 2.14 million dollars out of the total project cost of 103 million dollars. The fund to be made available for conducting a feasibility study of the flood control drainage project in Rajshahi district amounts to 2.35 million dollars out of the total project cost of 28.50 million dollars.

The feasibility study of cyclone protection project will cover an area on 14,000 square miles in the coastal districts of Chittagong, Noakhali, Barisal, Patuakhali and Khulna.

The primary objective of the exercise is to prepare a feasibility study and subsequent detailed designs on the basis of which the project can be mounted to provide protection against cyclone flooding along the Bangladesh coastline.

The aim of the project is to radically reduce the all too regular losses in human life and property and damage to physical infrastructure of the transport, power and industrial sectors. Secondary benefits will include increased agricultural production and improved access to the area which, will facilitate evacuation and relief operations as well as encourage the marketing, education and health sectors.

The exercise will also incorporate a study to examine a rehabilitation of existing, and construction of proposed, new sea defences and related water control structures designed to protect the project area from the loss of life and damage following cyclones.

The feasibility study will include a detailed review of the existing cyclone early warning system to ensure that it is as effective as possible until such time as the improved flood prevention works are constructive. Also possibilities for improved shrimp cultivation and afforestation will be studied so that development of these activities can be formulated in parallel to cyclone protection programme.

The feasibility study under the flood control and drainage project will examine the polderisation of 63,000 hectares of land out of which 48,000 hectares are cultivable in Rajshahi district through construction and rehabilitation of embankment, drainage channels, water control and building and upgrading of roads and water control surcharge.

The objective of the project is to protect the crop and the inhabitants and their properties in the project area and increase food production through developing agriculture and fishery.

A part of the project also aims at increasing the capability of the Irrigation Ministry for monitoring and implementation of the irrigation projects.

07310

### Writer Discusses Disbursement of Foreign Aid

46001165 Dhaka *THE NEW NATION* in English  
5 Dec 87 pp 1, 8

[Article by Syed Badiuzzaman]

[Text] Bangladesh has received foreign aid totalling 15,411.9 million US dollars till June last since independence. Of this, the amount of the grant was 7,854.8 million dollars (50.97 per cent) and that of loan 7,557.1 million dollars (49.03 per cent).

According to official estimates, the total disbursed foreign assistance included food aid worth 3,766.9 million dollars project aid amounting to 5,972.4 million dollars and non-project aid (commodity) of 5,672.6 million dollars.

Over the same period, the country received commitment for foreign aid of 21,144.6 million dollars—9,719.6 million dollars grant and 11,425.0 million dollar loan. The total committed assistance included food aid of 3,950.8 million dollars, project aid of 11,058.8 million dollars and non-project aid of 6,135.0 million dollars.

Of the total disbursed foreign aid, the amount of the grant was a little more than that of loan. The gap between the loan and the grant was maximum in 1971-72 and in 1972-73. The ratio of grant and loan was 90.51 per cent and 9.49 per cent respectively in 1971-72 and the percentage of grant and loan was 88.20 and 11.80 respectively in 1972-73.

It has been seen that the aid flow had significantly fluctuated in different years. The rate of disbursement was 44.3 per cent of the actual commitment in 1971-72. In 1972-73, it rose to 45.3 per cent but the following year, that is, in 1973-74 it dropped to 37.7 per cent. The

rate of disbursement again rose to 44.4 per cent in 1974-75 and then fell to 26.6 per cent in 1976-77. Last year, the disbursement rate was the poorest, only 19.70 percent.

Bangladesh received foreign aid mainly from five sources. These are the countries belonging to the Development Assistance Committee (DAC), international and multilateral agencies, centrally planned countries, petroleum exporting (OPEC) countries and others. The maximum foreign aid as well as economic cooperation have so far been received from the DAC countries.

The DAC countries provided foreign aid totalling 7,451.5 million dollars (4,909.2 million dollar grant and 2,542.3 million dollar loan) to Bangladesh till June 1986 since independence. The United States topped the list of the DAC countries giving Bangladesh a total of 2,087.0 million dollars which included 1,329 million dollar grant and 758 million dollar loan. The US was followed by Japan that provided Bangladesh 1,500.5 million dollars which included 385.8 million dollar grant and 1,114.7 million dollar loan.

Canada, Federal Republic of Germany (FRG), the United Kingdom, The Netherlands and Sweden belonging to the DAC also provided substantial assistance to Bangladesh.

The international and multilateral agencies—the second biggest source of foreign aid—provided Bangladesh a total of 4,638.7 million dollars including 1,504.5 million dollar grant and 3,134.2 million dollar loan during the period under review. Under this category, the International Development Association (IDA) provided the maximum amount 2,167.6 million dollars to Bangladesh while the assistance received from the UN system was 842.8 million dollars. The whole of the UN assistance was grant. Bangladesh also received considerable assistance from the EEC and other agencies including the UNICEF and international voluntary organisations.

The centrally planned countries (socialist bloc) provided Bangladesh a total of 471.8 million dollars including 429.8 million dollar loan and 42.0 million dollar grant. Of the total, the Soviet Union provided 268.1 million dollars while Czechoslovakia 46.2 million dollars to Bangladesh that received 77.9 million dollars as loan and 2.2 million dollars as grant from China.

The OPEC countries gave a total of 831.3 million dollars assistance to Bangladesh. The amount included 499.7 million dollar grant and 331.6 million dollar loan. Among the OPEC countries, Saudi Arabia alone had provided Bangladesh a Grant of 473.2 million dollars. United Arab Emirates (UAE) had given 80.2 million dollar loan and 17.2 million dollar grant while Kuwait had provided loan amounting to 118.5 million dollars. Bangladesh has received another 618.2 million dollar foreign assistance from other sources. It included 398.9 million dollar loan and 219.3 million dollar grant.

Meanwhile, the 'liabilities' for increasing foreign assistance have been mounting gradually. Apart from the medium and the long-term loan for economic development, Bangladesh has to take short-term loans for procurement of food, crude oil, planes and ships. As a result, the liabilities of the country on account of foreign aid rose to 499.7 million dollars in 1985-86 from 17.7 million dollars in 1972 creating a tremendous pressure on her export earnings.

It may be mentioned that Bangladesh had to pay interest totalling Taka 467.6 crore for long-term foreign loans in the last two years. The amount of interest paid in 1985-86 was 7.7 per cent of the total export earnings of the country while it rose to 8.1 percent last year (1986-87).

07310

#### Downtrend Seen in Overall Export Earnings

46001164d Dhaka *THE NEW NATION* in English  
4 Dec 87 pp 1, 8

[Text] The export sector suffered a major setback last month. The uptrend noticed in overall export earnings during the first quarter of the current fiscal year was halted due to an uncertain situation.

The official export figures for the month of November have not yet been compiled. But the knowledgeable quarters including trade circles told this correspondent that the export earnings last month were at least 30 percent short of the average monthly export receipts at Taka 325 crore (about 100 million US dollars) recorded during the first four months of fiscal 1987-88. The garments and the frozen food sectors were the worst hit following severe dislocations to the supply line.

However, the official circles told this correspondent that total export receipts during the first months of the current fiscal year till November, '87 would still be higher than the level during the corresponding period last year. This was due to higher export earnings to the tune of about 60 million dollars during the first quarter of 1987-88 than the related earnings during the corresponding period last year.

The export growth during the first quarter of the current fiscal year was facilitated by the increased volume of exports. The export prices, however, did not register any rise. In the case of raw jute, the average price was slightly higher by 12 dollars per bale. The jute goods recorded a marginal decline in prices.

The ready-made garments sector had a very favourable beginning in 1987-88. The earnings from this sector were over 25 percent higher during July-September, '87 than the level during the corresponding period last year. On the basis of export performance during the first quarter of the current fiscal year, it was expected earlier that garments exports would fetch an overall earnings of Taka

1200 crore in 1987-88 compared to the original annual export target of Taka 900 crore from the same. However, the latest export situation in this particular sector has minimised the prospect for higher export earnings.

07310

### Jute Industry Reported Heading for Heavy Loss

46001169 Dhaka *THE NEW NATION* in English  
15 Dec 87 pp 1, 8

[Text] The jute industry which sustained a loss of over Tk 106 crore during the last three years is heading for heavy loss this year also because of wide gap in cost of production and sales price.

Four mills have already been laid off due to liquidity crisis and some more are likely to cease operation soon throwing hundreds of workers jobless.

Apart from the burden of accumulated loss the mills are now operating at a huge loss. Sources in the industry estimated the difference in production cost and sales price at about Tk 3000 per ton on an average.

They said production cost had gone up due to low labour productivity and increase in wages and salaries by about 100 per cent and 70 percent increase in power tariff since 1983.

On the other hand, price of jute goods in the international market has been declining. Being 95 per cent export-oriented, the industry does not have any cushion in the home market to offset the export losses. Our competitors in India and China have a large home market providing an adequate hedge against the falling export price, they added.

The sources suggested some immediate measures to help the industry in overcoming the liquidity crisis. As for one, the said accumulated loss of the past three years should be segregated into an interest-free loan account with at least five years' moratorium. Such a measure in case with tea industry several years ago had proved effective and helpful in salvaging the industry.

They said jute industry's loss of Tk 235 crore in 1984-85 was earlier segregated into a loan account. Repayment of this loan was now taken out of export earnings of the mills with 10.75 per cent interest. This was being done at a time when the industry was passing through severe crisis.

The sources said the problem was acutely felt by the private sector mills constituting 40 per cent of the industry. Public sector mills where the loss was proportionately higher had been enjoying patronisation of the government and public sector banks.

The mills laid off, all in the private sector, as Ashraf Jute Mills, Sultana Jute Mills, Allied Jute Mills and Star Alkaid Jute Mills.

07310

### INDIA

#### Compelling Reasons for Intervention in Sri Lanka Examined

46240005 New Delhi *RAVIVAR* in Hindi  
7 Nov 87 pp 56-58

[Article by Rajiv Shukal]

[Text] If the Indian peace force were not present in Sri Lanka at this time... what would have happened in this southern neighbor of India? The attitude of the Liberation Tigers of Tamil Ilam was not only obstinate and anarchist but their military prowess had become so great that the Sri Lankan Army was unable to cope with them. It was then in the cards that with the consent of Junius Jayewardene, Pakistani troops would go in, and this critical region of South Asia would have come under the influence of America and Pakistan. Such a development in this region of strategic importance would have posed serious difficulties for India. Rajiv Shukal tells us how events reached this stage and why the present role of the Indian Army in Sri Lanka was inescapable and essential.

India's present role in Sri Lanka is important in several respects. The same Sri Lanka that till recently was challenging India has now become a base for the Indian Army. Nearly 35,000 Indian troops have now arrived in Sri Lanka, and this is more than three times the strength of the Sri Lankan Army. The fighting with Tamil insurgent forces has cost India 100 lives, and in this connection the view is being put forward that India has unnecessarily involved itself in this matter. It is being argued that India should not have jumped in the fight between Tamil insurgent organizations and the Sri Lankan Government and that by creating a state of war with the Liberation Tigers of Tamil Ilam (LTTE), India has lost the sympathy of Tamils.

But such attitudes in fact show ignorance of the present conditions in Sri Lanka. After talking to army officers associated with this mission, diplomats of the External Affairs Ministry and neutral experts, several aspects of this question have come to light. What India is doing in Sri Lanka these days is inescapable, and this role can be criticized only by overlooking the country's interests.

There are two things one should never forget about the current situation. First, if India had not sent its troops to Sri Lanka, the Jayewardene government would have been forced to enter into an agreement with some other country. It was practically settled that Jayewardene would enter into an agreement with Pakistan, and in that event Pakistani forces would go there. In that case Pakistan would have surrounded our sea border and Sri

Lanka would have become a full-fledged naval base for America and Pakistan. Thus India would have landed itself in a very sticky situation. America already has a naval base on the Trikomali coast of Sri Lanka. During the course of the fighting, America was very worried about the security of this base. This is because Litte's group is regarded as a communist organization that receives full support from China and has Chinese weapons in large numbers. Therefore America was deeply interested in having the Pakistani Army there. Second, China also coveted Sri Lanka and was interested in strengthening its position there through Litte. But now, because of the presence of Indian forces, not only has India taken Sri Lanka in the palm of its hand but the danger to India from its sea border has also been eliminated.

A decisive struggle with Litte was inescapable because he kept shifting ground. Through secret sources, India has learned that after forming a government in the Tamil region of Sri Lanka with the help of India, Litte planned to start a Tamil movement in Tamilnadu. Clearly, in this venture he would have received full Chinese support. India left Litte no room for this cunning move. One unexpected advantage of this fighting is that the various extremist forces flourishing in different parts of the country have been unnerved by the beating that Litte received—in particular, the violent organizations of Punjab.

The Tamil problem in Sri Lanka emerged in 1983, but during the past year it assumed serious proportions. For several years in the beginning, Tamil leadership was in the hands of the TULF (Tamil United Liberation Front). Its leader was Amritalingam. They kept raising their voices with the help of certain Indian and particularly Tamil leaders. By 1985 and 1986, the Tamil youth of Sri Lanka concluded that the aged leaders were helpless and that they were not in a position to realize their dreams.

Therefore, simultaneously there emerged four Tamil youth groups, among which Litte and Plaut were the most influential. These two groups could not get along, but in their own ways both were carrying on the movement. Both were getting support from Tamilnadu. When these two groups started violent activities, the Sri Lankan Army in reply resorted to oppression. In this struggle between the two, Indian sympathies for the Tamil groups kept growing. As a result, the Indian Government too was forced to intervene in a limited way. At various times, several different persons were asked to hold talks with the Sri Lanka Government. These included former Foreign Secretary Ramesh Bhandari, member of parliament Rangrajan Kumarmanglam, member of parliament Raja Dinesh Singh and central Minister P. Chidanbram. Initially, this matter was entrusted to G. Parthasarthy, but Rajiv Gandhi did not like his method of working and later he was fired. Each of the leaders India sent on this mission held separate talks with individual Tamil groups, but without result. Litte, on the other hand, with the help of aid he got from

India, increased his strength. Later he obtained a significant quantity of arms from China as well as Indian, Chinese, West German, East German and Polish arms. These arms were so advanced that by laying explosive mines with them, the biggest army could be harassed and destroyed.

By the end of 1986, Litte had gathered a large cache of arms and ammunition in the Tamil majority island of Jaffna. He built such a powerful military machine that the Sri Lankan Army began to look small in the face of it. In 1987, the Sri Lankan Army launched three large-scale campaigns on the island of Jaffna in which thousands of innocent Tamil citizens were killed. But the Sri Lankan Army could not inflict any damage on Litte. In the course of this, other Tamil groups including Plaut suffered heavy losses. After these attempts, the Sri Lankan Government realized that without the help of a foreign army no decision could be enforced. To this end, the Sri Lankan Government held talks with the United States, and the United States was striving for a Pakistani military presence there.

The farsighted Indian decision to send relief to Jaffna is not ancient history. In June 1987 the Sri Lankan Navy stopped relief supplies being sent by sea. It appeared then as though war with Sri Lanka was a certainty. The day the sea relief supplies were returned, India demonstrated its power by intruding into Sri Lankan airspace and dropping relief supplies. As a result of this air intrusion, the Sri Lankan Government was noticeably cowed; it realized that in the subcontinent, nothing much could be accomplished without Indian help and it would be better to reach an understanding with India. In this connection, Sri Lanka first of all had talks with the Indian high commissioner in Colombo, J.N. Dikshit. Later there were several rounds of talks with Minister of State for External Affairs Natwar Singh, P. Chidanbram and Foreign Secretary P.N. Menon. India told Sri Lanka that it would not enter any agreement without taking the Tamil groups into its confidence. When Sri Lanka agreed to this, the central leaders drew up the main points of an agreement after holding talks with Tamilnadu chief minister M.G. Ramchandran, TULF leader Amritalingam, and the leaders of Plaut and other Tamil groups. All the Tamil groups gave their consent to the agreement, but the real question was Litte. The first secretary to the Indian high commissioner, H.S. Puri, was asked to hold talks with Litte. By first holding talks with Litte representative Dilip Jogi and later with Prabhakaran and after the necessary revisions and amendments, he prepared a draft. Prabhakaran visited Delhi and gave his consent to the draft. At that time a report circulated that Prabhakaran was being held under house arrest in the Ashoka Hotel of Delhi and that force was being used to make him consent to the agreement.

In fact at the time, Prabhakaran was under intense pressure from communist countries not to consent to the agreement. Prabhakaran was brought to Delhi in view of his difficult situation, and by means of negotiations his

complete approval was obtained. The precise text was shown to Jayewardene and initially he was not prepared to accept it, but he had to give in before pressure from India. The same evening, the text of the agreement was placed before a meeting of the central cabinet, and the cabinet accepted it unanimously. One central minister of state went so far as to remark humorously that in view of the way Sri Lanka agreed to our conditions, it appears as though it is one of our states and its administration should be handed over to Home Affairs Minister Buta Singh.

The agreement was signed in Colombo; among the Sinhalese there was so much opposition to it that a Sinhalese sailor even attacked Mr Gandhi. Meanwhile, the Tamils cheerfully accepted the agreement. The Tamil groups including Plaut handed over their arms to the Indian peace force. But at this point the confrontation with Little began.

Little was hoping for a dual advantage. He thought that on the one hand, he would dangle before India the prospects of the success of the agreement, and on the other hand, he would ingratiate himself with China by not sticking to the terms of the agreement. Little had surrendered only 10 percent of his arms, saying that he was keeping the rest for self-protection. When he was told that the Indian peace force would protect him, he did not agree. He also refused to dismantle his positions in Jaffna, Batticaloa, and Trincomalee. This created an obstacle in the way of implementation of the agreement. But India told the Sri Lankan Government that it would persuade Little somehow.

In Sri Lanka, the Tamils have acquired such ascendancy that at the sight of one Tamil, six Sinhalese will flee out of fear. When it was a question of forming an interim assembly to run the government, Little said that out of 1 [as [published] members of the assembly, seven would be his and the chairman would also be his man. Despite opposition, India persuaded the remaining Tamil groups to agree to this. Thus there were seven members from Little, two from TULF, one Muslim, one Sinhalese and one representative of the Sri Lankan Government. But after only 2 days, Little demanded a revision in the seven names previously submitted. Somehow, this too was done. On the third day he changed two more names. Despite opposition, India allowed it. A few days later, Little said that he wanted to change the name of Padum-nabhan submitted for the office of chief administrator. Controversy began on this, and Little was asked how long these daily changes in names would occur. The people of the eastern province, where Plaut wields more influence, were bitterly opposed to Little. They wanted a separate assembly for themselves. Little had already rejected this demand, and here too India accepted Little's decision.

In support of the demand to remove Padum-nabhan, one of Little's leaders, Thilippan, went on a hunger strike and he died. This inflamed Little. In the meantime, the Sri

Lankan Army caught 17 members of Little's group smuggling arms and began to take them to Colombo. Little spoke to Indian officers. When India contacted Sri Lanka, the latter replied that according to the agreement there was no provision for releasing smugglers. This was true. But despite High Commissioner J.N. Dikshit's presence in Delhi, first and second secretary H.S. Puri and Mrs Puri and Deputy High Commissioner Nirupam Sen negotiated with the Sri Lankan Government and arranged for the smugglers' release. In the meantime, however, 12 of them committed suicide by swallowing cyanide. After this, Little started attacking the Indian Army. In the Jaffna camp the Indian Army was fired upon. An attempt was made to shoot down a helicopter with a rifle. The Indian Army was hit by the laying of an explosive mine. The Indian Army repeatedly issued warnings. On 7 and 8 October, the Indian Army came under attack several times and Sinhalese citizens were also killed.

When the Indian Army wanted to launch retaliatory attacks on Little, he would place innocent Tamil women and children in the line of fire. Tamil citizens became incensed with Little because of such actions. Little was responsible for the deaths of all the citizens killed. When the Indian Army tried to arrest him, Little launched a guerrilla attack. Little also started a smear campaign charging that Indian soldiers were abducting and raping Tamil girls, and that in collusion with Sri Lankan soldiers they were massacring Tamils. Thus they intended to enlist the sympathies of Tamil citizens. In accordance with the agreement, the Sri Lankan Army up till then was confined to barracks. At that time India had only one brigade there, consisting of 3,000 troops. These were soldiers from the Mahar, Madras, Rajput, Sikh and Maratha light infantry. The services of only the communications section of the Sri Lankan Army were being utilized.

On 13 October a letter was written to members of the Indian parliament on behalf of Little. In this letter, sent by S. Subramaniam, false charges were made that the Indian Army was oppressing the Tamils, that it was massacring them and that the Jayewardene government was on the verge of collapse and had been saved by Rajiv Gandhi, who was doing this to improve his tarnished image. In this letter Little also charged that India was taking action on the orders of other Tamil groups. Clearly, the remaining Tamil groups of Sri Lanka were also very unhappy at Little's attitude.

During this period, the Indian high commissioner took the position that if Little's activities were not stopped, the agreement would break down. On the orders of China, Little wanted to throw India out of Sri Lanka. The Tamils would suffer most if that happened, so action would have to be taken against Little. Only after this report did Delhi give orders that Little be wiped out. Thus initially 5,000, later 10,000 troops were sent, and by 20 October, 35,000 Indian troops had begun the task of removing Little from the entire region. Little fired upon Indians, bombed them

and destroyed trucks with the help of explosive mines. According to Indian Army sources some 125 of our soldiers were killed in the fighting, but according to unconfirmed reports at least 300 Indian soldiers lost their lives in this fighting.

In this fighting, Indian forces had to exert themselves most in northern Kopai, Oranporai and at a fort located in western Jaffna. All three areas were considered Little strongholds. Here the Indian Army was on open and exposed roads, whereas Little members were firing from inside houses. In the Novel Kuli area, too, the fighting was terrible; some 50 of our soldiers were lost. Indian Navy ships reached the coastal areas and were able to frustrate the Little members' plans to flee by sea. At that time, members of the Little group in desperation sent 10 messages proposing talks to bring about a cease-fire, but Delhi made it clear that short of surrender there could be no talks.

After this fighting, India's position is advantageous in several respects. Now India can keep an eye on the American naval base there. Chinese designs have been frustrated. The first warning about Little was given by the Tamilnadu police officer, Unnikrishnan. He said that this group could not be relied upon, and he was put in jail. Later the inspector general of Tamilnadu police also made a report against Little, whereupon he was removed from his post; he has now been reinstated in this position.

Before this action was taken against Little, Sri Lankan Prime Minister Premadasa and the minister in charge of security affairs, Lalith Athulathmudali, who were both opposed to the agreement, were promoting the Sinhalese group JVP. This is an extremist group and through it the prime minister of Sri Lanka was secretly inviting Israeli and British mercenary groups. A Pakistani brigadier was providing them with training. Now these groups have become unnerved. If these groups had continued to flourish in Sri Lanka, they could have created problems in Indian Tamilnadu. 12286/08309

## IRAN

### Interview With Envoy to Moscow

46000067 Tehran KEYHAN INTERNATIONAL in English 5 Dec 87 p 4

[Text] [Question] How do you evaluate the Soviet attitude towards the Persian Gulf crisis?

[Answer] Presently, the Americans and the NATO have concentrated their military forces in the Persian Gulf in an unprecedented manner and it is natural that this increase in troops as well as the spread of the imperialists' influence and presence would not be favored by the Soviets.

[Question] What is the Soviet stance towards the U.S. on the Persian Gulf issue?

[Answer] It seems that the Soviets would like to show that they are against the presence of the U.S. and NATO forces and are ready to cooperate within the framework of the efforts to expel the Americans from the Persian Gulf.

[Question] Why does the Soviet Union agree with the military presence of the West under UN supervision?

[Answer] What is important for the Soviets is that the Americans would not be the lone rider in the field and to diminish the U.S. role at any cost and by any means. And of course, Moscow would like to play its own role in this regard.

[Question] Is there any change in the Soviet attitude towards Iraq or not. If yes, why?

[Answer] The Iraqi regime is extensively and increasingly moving towards the West and the U.S. to the extend that presently Baghdad has been turned into a major center for Washington's Middle East policies. Evidence shows that the Soviets are paying attention to and contemplating on this trend.

[Question] To what extent do any think, Iran-Soviet relations in political and economic areas will expand. Is this expansion of relations a reaction (by the two sides) of the consequence of a pre-planned agreement?

[Answer] Iran and the Soviet Union are two great neighbors with each enjoying specific capacities and possibilities useful for the other side. In the past, the West was a destructive and deterrent factor for maximum exploitation of this potential. But now that this devastating element (the West) has been eliminated, definitely calculated and profound steps are being shaped by the two sides.

Taking into regard the point that the two countries enjoy a strategic attitude towards the shaping of regional and international equations, in connection with mutual relations, therefore the improvement of bilateral economic ties is based on a firm and resolute foundation and therefore it does not necessarily depend on the present circumstances. Undoubtedly, the present situation has accelerated this trend.

[Question] What about Iran's gas exports to the Soviet Union? What is the Soviet stand regarding Iran's oil pipelines to the Black Sea coasts?

[Answer] According to the agreements reached, both cases are being studied by experts so that operations would start on the basis of the possibilities of the two countries.

[Question] What would be the dimensions of Iran's Majlis speaker's visit to Moscow?

[Answer] On the leadership level the (Majlis Speaker's) visit will have very important dimensions because it would provide an opportunity for direct talks between the two countries' leaders. The result of such talks could leave deep and long-term effects in relations between the two countries. The realization of this visit would mark a turning point not only in mutual relations but in the general shaping of regional equations.

[Question] Following relative improvement in relations between Iran and the Soviet Union, certain circles warned against these ties and raised the idea of replacement of the U.S. and the Soviet Union with Europe.

What do you think about this?

[Answer] Principally we do not like improvement of our relations with the Soviet Union to our connection with Europe or the U.S. Basically we have not replacement in mind, because we are determined to preserve our independence, which is one of the most important achievements of our Islamic Revolution. We do not intend to establish submissive relations, like the one during the former regime, with the U.S. or any other power in the world, whether it be the Soviet Union or Europe, or replace any of these two with the U.S. Our mechanism of establishing relations with other countries is based on the principles of equity, mutual respect and non-interference in each other's internal affairs. Expansion of Iran's relations with other countries depends on their respect for and adherence to these principles.

[Question] How do you assess the recent differences between China and the U.S. and how would this affect China's relations with the Soviet Union and anti-imperialist groups?

[Answer] I think the closer anti-imperialist forces in the Third World get the more they would be able to control America's expansionist nature.

[Question] What oil agreements have been reached between Iran and the Soviet Union in the Caspian Sea?

[Answer] Exploitation of oil in the Caspian Sea was a former request by Iran but it was seriously followed by given the critical Persian Gulf situation. The Soviets agreed to provide Iran with some of the tools and facilities to exploit oil in the Caspian Sea. Subsequently, Iranian experts began taking primary steps for oil exploitation which must be considered a notable success of our country, particularly in the oil industry.

According to an agreement reached during our oil minister's recent visit to Moscow, we will transfer 100,000 barrels of crude oil through our southern pipelines to the Caspian Sea coasts from where Soviet ships will transfer to Baku. This oil will be refined at the Baku refinery and

in return we will receive oil products such as kerosene and gas oil, etc. equal to the value of the crude oil, which will be delivered to Iran at the Caspian Sea coasts and also by train at the Jolfa border.

[Question] What progress has been made regarding transportation and transit between the two countries?

[Answer] A new protocol was signed in Tehran between the road ministries of the two countries recently which would considerably improve connecting roads between the two countries as well as the volume of transit goods. According to this protocol, the Islamic Republic of Iran will transfer two cargo ships to the Caspian Sea from the Black Sea and Soviet waterways to transport goods between Baku ports and Anzali port. So far, goods used to be carried only by Soviet ships but from now on it will be a joint venture. Another agreement was reached on activating Sarakhs customs office and building a railroad in eastern Iran. Upon the completion of this project Sarakhs customs office in northeastern Iran will be linked to Bandar Abbas in the south of the country by railway which will have desirable effects on the economic situation of the region. Here also the Soviets will provide us with some facilities and Iranian experts will implement it.

[Question] What is your opinion on the arms embargo the U.S. is following up at the Security Council?

[Answer] The Americans are in fact following an all-out plan to force the Islamic Republic to a compromise and bring themselves closer to our country. Until last year, they were acting differently. In their talks with other countries like the Soviet Union and China and even with their own allies, they pressured them to impose an arms embargo against the Islamic Republic. To this end, the U.S. sent Iraq and other reactionary Arab states here and there to increase their pressure.

Their main objective was to approach the Islamic Republic by providing its arms needs after pressuring Iran. It was in this very connection that they despatched MacFarlane with a plane load of arms to Iran. This move coincided with their (Americans) talks with the Soviet Union and China as well as other countries to impose an arms embargo against Iran. What they meant to say was that if Iran improves its relations with the U.S. and to some extent understands America's interests in the region, Washington would help Iran defeat Iraq.

After this attempt failed and turned into a great scandal for the Reagan administration, they are now trying to compensate by imposing an arms embargo against Tehran by resorting to all kinds of tricks and pressures so that they would eventually take control of the affairs in the region.

[Question] Iraq's Tariq Aziz explicitly criticized the Soviet Union, this week, for rejecting an arms embargo against Iran. What do you think about this?

[Answer] in an attempt to convince the Soviets, the Americans have mobilized all their elements. Iraq and other reactionary states in the region are constantly being provoked by them to exert the utmost pressure on the Soviet Union and others (who are against such an embargo). It seems that the Iraqis have reached the conclusion that if the Americans come to power in the region and Tehran is forced into a compromise with Washington, their problems would be solved. I must also say that in our contacts with the Soviets, we have expressed our satisfaction over their independent stance in this regard and we hope they continue to resist these U.S. pressures.

[Question] What would the situation look like in case an arms embargo is put into effect?

[Answer] Then we would realize that we should not rest any hope with the international circles and would concentrate all our efforts on military activities (to end the war). Furthermore, it would prove that the U.S. has practically gained the chairmanship of the Security Council, something which would be received by the world as an ominous reality. Of course, such an approval would change practically nothing because we are producing most of our arms needs inside the country and the rest are easily obtainable in the free market. Presently, the mobilization of our forces has disturbed Washington's hypothetical equations.

[Question] What stands have the Soviets adopted on the U.S. military expedition in the Persian Gulf?

[Answer] Their stance, according to the 3 July statement of the Soviet government is that they are against the presence of any foreign forces in the Persian Gulf and this stance has been welcomed by Iran.

[Question] Do the Soviets have any plans for expelling the Americans from the Persian Gulf?

[Answer] They have discussed some plans with us in this regard and talks are presently under way.

[Question] Do you think the Security Council would be able to settle the war?

[Answer] Our stance has been very clear from the very beginning. If they identify Iraq as the aggressor party and punish it, the issue of the war will be solved. I must add that the international organizations have proved that they are incapable of resolving such important issues they might try to make Iran tired by wasting time and therefore we should not be very patient and must show our strength in the war front in order to gain our rights.

/12232

**IRI Italy's Largest Trading Partner**  
46400045a London KEYHAN in Persian 3 Dec 87 p 8

[Text] In the first 6 months of this year (January-June), Italy traded \$704 million in goods and merchandise with the Islamic Republic. Of the total volume of commercial trade between the two countries during this period, \$504 million involves Italian imports from the Islamic Republic and the remainder consists of the value of goods and merchandise that the Islamic Republic has purchased from Italy.

According to the statistics of the Italian Ministry of Commerce, the imports of that country from the Islamic Republic consist mainly of crude oil, dried goods, hand-woven carpets, caviar, minerals, some medicinal plants and pistachio nuts.

The exports of Italy to the Islamic Republic consist of various kinds of consumer goods and foodstuff as well as small industrial machinery, technical tools and similar items. A statistical analysis of the report of the commercial transactions between Italy and the Islamic Republic in the first six months of the Christian year indicates that the value of the commercial exchange between the two countries decreased significantly compared to a similar period last year. The above-mentioned data indicate that the value of Italian exports to the Islamic Republic in the first six months of this year compared to a similar period last year decreased by about 48 percent and the value of imports from the Islamic Republic in that period decreased by about 26 percent. A comparison of the figures of the Islamic Republic on exports to Italy and the value of the imports of goods from that country indicates that commercial exchange between the Islamic Republic and Italy has had a positive balance in the interest of the Islamic Republic of \$304 million.

During the first 6 months of this year, Italy and Saudi Arabia had \$1.4 billion in commercial exchange. The amount of commercial trade between Italy and Kuwait and Iraq during the same period was \$542 and \$475 million, respectively. Hence, comparing the statistics discussed, it becomes clear that in the first half of this Christian year, among the Persian Gulf region countries, the Islamic Republic was Italy's largest trading partner, after Saudi Arabia.

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**Health Minister Details Reasons for Failure to Attract Physicians**  
46400047 London KEYHAN in Persian 3 Dec 87 p 9

[Text] In response to a Majlis representative, concerning the reasons for physicians and experts not returning to the country and the poverty of medical and health care in the country, Dr 'Alireza Marandi, the minister of health, said: "In the course of the past weeks, the supreme council for the cultural revolution proposed the establishment of a center called the attraction of the best

minds to be supervised by the council. Of course, the main purpose of this above-mentioned council is to attract that group of scholars who are above average in specialization and competence, and we hope this organization will be successful. Of course, based on my past experiences, I expressed my skepticism in regards to its success in the meeting of the supreme cultural council."

In the above-mentioned meeting, first Ebrahim Jamal Yusofi-Dashti (representative of Rudbaran) and Seyyed Reza Taqavi (representative of Damghan) presented their questions to Dr Marandi concerning attracting physicians from abroad.

Reza Taqavi, the representative of Damghan, questioned: "In connection with attracting specialized Iranian physicians from abroad, what are the essential obstacles and problems? What efforts have been made to eliminate these obstacles and create facilities?"

This same representative continued his question, adding: "Our question is one from all the people and those who have problems in connection with social issues, besides the fact that we sense danger. The number of our patients who go abroad is larger than the number of patients in all Arab countries. Do we have a shortage of scientific forces, thinking minds, and experienced and specialized individuals in the country? Dispatching patients abroad shows the weakening of our able brains and scientific and thinking centers. Hence, we must think of a solution to prevent this problem."

#### Efforts Have Been Unsuccessful

In response to the question of the representatives of the Majlis, the minister of health, treatment and medical education said: "Concerning the important issues that you have raised, what steps have been taken so far? It must be said that numerous efforts have been made at different times, which have for the most part been uncoordinated and unsuccessful in attracting forces.

"That is, groups and individuals have been sent abroad by the authorities or organizations, institutions and ministries, but many of the individuals who have been absorbed, unfortunately, lack the necessary competence, for various reasons, mainly scientifically. And when they came to the country, they did not want to work where we wanted them to work. As a result, certain offices were created in the country in order to attract manpower, which were also unsuccessful."

Marandi continued: "Essentially, in order for individuals to return to their country, it is necessary to provide certain backgrounds, of which, in the opinion of all of us, the most important is a spiritual background. When a person wants to serve, he must have the background. Other things are also necessary and frequently emphasized, such as material, financial and comfortable living condition issues. They can be divided into two groups:

First is the comfortable living conditions for the individual who returns with his family, such as a car, housing, telephone, household items, the education of children, special laws and regulations, and lack of stability in such laws and regulations [as published]. These are issues that exist. In other words, I have personally witnessed these problems. For instance, one person who returned to the country from England was a neurosurgeon. He had asked what we would do for him if he returned to the country. I am conservative in giving promises, but at that time I saw that they would give us a ration of automobiles and we could give one to him. He was not given a car and we could not live up to the other promises either. That person closed his office, resigned and left."

#### Fear of Military Service

In another part of his statement, Dr Marandi said: "Such problems exist. Also, in regards to housing, at one time they gave an allotment to physicians, but that stopped too. Or individuals were able to bring their own cars into the country, and later, suddenly, the regulations changed, and when the person arrived in Iran, he saw that he was not allowed to bring a car home, or he either had to pay huge amounts of money in taxes and customs fees. Another issue is the education of the children of physicians. Many of our physicians are worried that their children might not pass the college entrance examination. Or, when they are much younger, even 12 years of age, they are sent abroad for fear of military service. Some of them do not want to leave the capital or do not want to do military service, or they want to choose where they want to open their offices."

After the explanations of the minister of health and treatment, the representative of Damghan said: "The officials must create job security. This is an important issue, in any area. If we are unable to do so, we will not achieve results. This must be given attention, as a principle."

It should be pointed out that in the past few years, sending a large number of its officials to attract Iranian physicians residing abroad, the Islamic Republic has engaged in expansive efforts. According to reports available to us, the officials dispatched from the Islamic Republic have contacted Iranian physicians and experts, and by giving various promises, have been able to entice some of them to return to Iran. One of the physicians who had returned to Iran some time ago with such promises returned to England after being disappointed in the officials who had urged him to return and realizing that the promises given by the representatives of the Islamic Republic were in practice unrealistic.

This physician said:

#### Conditions Were Miserable

"Despite my love for and interest in going back to the country of my birth, even with my extreme willingness to serve the people of my country, I found Tehran and the

miserable and dire social and political conditions that the Islamic Republic has created for that country to be a hell, which I found intolerable for myself and my family to burn and suffer through. So, most disturbed and disappointed in what I saw and in what the leaders of the Islamic Republic have done to the people of my country, I returned here to work, to spare my children at least."

The physician said:

"The political, social and economic conditions in Iran, which are the result of the establishment of the Islamic Republic in that country, are such that they automatically cause a brain drain and a rarity of scientific competence and specialization. The bureaucratic organizations, which are run mostly by the elements who support the leadership of the Islamic Republic and carry out the specific social and economic policies of the leaders of this Republic, through their actions, directly and indirectly, cause despair, disgust and discomfort for the minds that return to the country, and thereby force them to leave the country. The patience of these individuals who have gone back to the country with limited expectations runs out after nerve-racking involvement with the elements of the Islamic Republic and witnessing inequity, injustice, pressure and disorganization, observing the increasing political and social poverty of the people and the indescribable economic and social shortages, and especially the methods of government and the lack of basic freedoms, and they leave the land of their ancestors after a while, disappointed and sorrowful. Hence, the people drown more in the miserable living conditions."

#### Memory of the Attack of the Guards Corps Ruffians

Continuing his statements to KEYHAN, the Iranian physician said: "I, and all the physicians and experts who returned to my country after visiting with officials of the Islamic Republic and speaking to them about continuing medical services there, will never forget the attack of the ruffians of the Hezbollah and revolutionary guards on the offices of physicians in Tehran, Esfahan and several other cities, and their throwing around our medical equipment and sensitive health machinery and plundering our offices. The behavior towards the medical board on the part of the leaders of the Islamic Republic and their supporters, who dominate the political and social lives of the people, the eradication of the members of the board and other members and exiling some of them, and finally the implicit dissolution of this guild organization were direct signs that the ruling clerics cannot tolerate the presence of intellectuals, superior minds and experts in the country. By preparing the practical grounds to make the physicians and experts flee the country, they have in practice made the people of the country and the world understand that they do not value the lives and health of the Iranian people. However, by way of contrast to what they say to the people in the streets when one of the agents of the regime becomes ill, they bring

dozens of world-famous physicians and experts to his bedside or immediately send him to a developed foreign country to be hospitalized in one of the best hospitals in the world."

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#### Kho'iniha: Political Freedom Not Wise Under War Conditions

46400044a London KEYHAN in Persian 3 Dec 87 p 9

[Text] Hojjat ol-Eslam Kho'iniha, the prosecutor general of the country and commander of the occupiers of the U.S. Embassy in Tehran, announced last week:

We do not oppose the establishment and activity of political parties in the Islamic Republic. The fact that we do not agree with their anti-national existence and movements is not due to narrowmindedness or refusal to have our political opponents on the scene. Rather, it is because the Islamic Republic is very vulnerable under the war conditions. Opposition political parties inflate the shortcomings and inability of the directors and officials of the country and cause the people to change their minds about the regime.

The prosecutor general of the Islamic Republic emphasized that the political opponents of the Islamic Republic lack political piety and spread rumors everywhere that the authorities of the Islamic Republic are incompetent and incapable of serving the people.

Our opponents always ridicule our economic problems and shortcomings and try to convince the people that this revolution is not in their best interests. They blame all the hardships, shortcomings and destruction on the revolution and the regime administration and try to convince the people that the path that we and our colleagues are following is wrong.

Kho'iniha added: Our opponents constantly advance the philosophy that since we face many problems in continuing the war, the war is wrong; or that since the daily problems of the people stem from the war, the war must be stopped; or that since we have not made peace with Iraq and the people must tolerate the consequences, then not making peace with Iraq is a mistake.

Kho'iniha added: The Americans also say the same thing. They say: "You come and resolve your problems with us, and we in turn will solve your problems."

The prosecutor general of the Islamic Republic said: "We have people at various levels who think this way. There are university professors who think contrary to us, and in our opinion falsely advise students. There are also people in the bazaars and elsewhere who consider our method of management wrong and advocate the opposite." Kho'iniha continued.

"Among our opponents, there are a large number of the rich and merchants who, because of the difficulties that have been created by the war in their work, seriously, through their agents and those close to them, even the clerics, want an end to the war.

"Those who, for example, gained huge profits through importing goods are no longer able to open credit these days, due to foreign currency shortages. Hence, they do not agree with our policies."

He said: "These groups are supported by some clerics as well." On the whole, the prosecutor general concluded that all persons and groups who oppose the administration and the decision-making methods and policies of the Islamic Republic support the United States and display opposition to the revolution. In conclusion, the prosecutor general of the Islamic Republic announced:

"The sudden appearance of powerful economic centers in the private sector is truly a source of concern. If they are not stopped as soon as possible, soon we shall face wealthy, powerful groups that can easily affect the economic and political conditions of the country. These economic giants must be stopped before it is too late."

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**Import Value 10 Times that of Non-Oil Exports**  
46400048b London KEYHAN in Persian  
10 Dec 87 p 11

[Text] While in the first five months of the current year (1366) [21 March-22 August 1987] the Islamic Republic bought a total of 7,892 tons of goods valued at 310,182 million rials from foreign countries; in turn it sold (without including crude oil exports) about 440,000 tons of goods and materials valued at 30,624 million rials to other nations of the world. Comparing the value of the Islamic Republic's exports in the first five months of 1366 with those of the same period the previous year shows a decrease of 3 percent. On the other hand, if we compare the value of the Islamic Republic's non-petroleum exports in the first five months of the current year with those of the same period the previous year, we find an increase of 38 percent.

According to statistics from Iran Customs, a comparison between the value of the Islamic Republic's non-petroleum exports with the value of imported goods during this period shows that the Islamic Republic bought about ten times as many goods of various kinds in terms of value than what it sold abroad in non-petroleum goods and materials.

A careful study of the statistics on the nation's major export items in the first five months of the current year (1366) [21 March-22 August 1987] shows that the biggest part of Iran's non-petroleum exports was hand-woven wool carpets. Iran Customs said that the weight and value respectively of the hand-woven wool carpets

exported from Iran during the period discussed was 3,912 tons and 11,382,669,000 rials. The weight and value of the same item exported in the same period the previous year was 3,254 tons and 7,971,316,000 rials. For the period discussed, Iran's hand-woven carpet exports made up 37.16 percent of the total value of the country's non-petroleum exports.

On the list of the non-petroleum items exported in the first five months of the current year, second place is taken by exported pistachios and hulled pistachios. In the period discussed, 23.37 [as published] tons of pistachios valued at 5,850,712,000 rials were sent to the markets of the world. The value of Iran's exported pistachios in the first five months of the current year makes up 19.1 percent of the total value of Iran's non-petroleum exports. A comparison of the figures for pistachio exports from the months of Farvardin through Mordad this year [21 March-22 August] with those for the same period the previous year shows that exports of this traditional product jumped sharply both in terms of weight and value. The weight and value of this product in the first five months of 1365 [21 March-22 August 1986] were 6,566 tons and 2,193,345,000 rials respectively.

Analysis of Iran's export figures throughout the period discussed shows that during this period the Islamic republic exported 6,508 tons of various hides valued at 2,897,169,000 rials. This quantity made up 9.46 percent of the total value of Iran's non-petroleum exports in the first five months of the current year.

In terms of value, fresh fruits occupied fourth place on the list of the Islamic Republic's non-petroleum exports during the first five months of the current year. Iran Customs said that the weight of exported fresh fruits during this period was 66,553 tons, while their value was 1,184,803,000 rials. Exported fruits for the period under discussion made up 3.86 percent of the Islamic republic's total non-petroleum exports. A comparison of this percentage with the share of exported fresh fruits from the Islamic Republic in the same period the previous year shows a striking decrease. In the first five months of last year, exporting 56,763 tons of fresh fruit valued at 2,847,090,000 rials, the Islamic republic was able to allocate 12.186 percent [as published] of the total value of its non-petroleum exports to this item.

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**Corruption, Bribery Reportedly Rampant**  
46400050b London KEYHAN in Persian  
10 Dec 87 p 11

[Text] The significant drop in oil revenue and the increase in financial pressures since 1986 have brought serious and numerous economic problems to the leaders of the Islamic Republic. A great many of the factories active in the production of war materiel have decreased the level of their activity. Unemployment is on the rise

and the rate of inflation has reached its highest level in Iran's economy. While most merchants and tradesmen enjoy daily increasing material welfare, other workers, and especially government workers on fixed salaries—are suffering. For a great many people, including those who have no other way to earn a living for their families, bribery and corruption have become one of the ways to get by in life.

The above is from a report published recently in London's MIDDLE EAST ECONOMIC DIGEST by its analyst Vahe Petrosian. Continuing his report, Vahe Petrosian wrote: Since early this year the Islamic Republic's government officials, having obtained broad discretion, have set out to prevent hoarding and price gouging on the part of merchants and vendors of some consumer items in order to control prices and stop increases in the cost of living.

Despite the claims of the Islamic Republic's officials about holding down prices, the people are still confronted with many shortages and the black markets are thriving as always.

At the end of this part of his report, Vahe Petrosian added: The government's foreign exchange income from the sale of oil is the main key to the solution of the Islamic republic's financial problems. The Islamic republic's net foreign exchange income has not exceeded \$10 billion during the last two years. This is about half of the Islamic republic's usual income from oil sales. In view of the results of the conference of OPEC ministers in Vienna, in the coming months the Islamic republic will face serious financial problems.

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**Non-Oil Exports Show Increase Over Same Period Last Year**  
*46400045a London KEYHAN in Persian 3 Dec 87 p 8*

[Text] During the first 7 months of this year (Farvardin to Mehr [21 March-22 October]), the Islamic Republic exported 717,000 tons of non-oil goods to other countries. The value of these goods, according to an announcement by the public relations office of Iranian customs, has been estimated at \$615 million. Iranian customs statistics indicate that the level of non-oil exports of the Islamic Republic during the first 7 months of this year increased by 113 percent compared to a similar period last year. The statistics mention a 21 percent increase in the value of the non-oil exports of the Islamic Republic during the first 7 months of this year compared to a similar period last year. The most essential non-oil goods exported from the Islamic Republic during the period in question consist of handwoven woolen carpets and dried fruits.

Iranian customs announced that 43.41 percent of the total value of the exports during the period in question concerns the export of handwoven carpets and about 20 percent of the value of the exported goods involves dried fruits.

During Mehr [23 September-22 October] of this year, the Islamic Republic increased the export of non-oil goods and merchandise by about 13.5 percent, at a value of 8,183 million rials, compared to the same period last year.

In its announcement, Iranian customs mentioned that the most valuable goods exported during this same month were exported through the customs of South Tehran, Mehrabad and Kerman. During that same month this year, 40.48 percent of the value of the total exports of the country were exported through South Tehran customs, 28.44 percent through Mehrabad customs, and 12.66 percent through Kerman customs.

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**Estimated Uranium Deposits Reportedly 5000 Tons**  
*46400045b London KEYHAN in Persian 3 Dec 87 p 1*

[Text] Experts of the Iranian atomic energy agency have identified uranium mines with deposits of about 5,000 tons through their research throughout the country.

This report was placed at the disposal of reporters and mass media representatives some time ago by the deputy research director of the Iranian atomic energy agency. The deputy of this agency announced that with the completion of uranium mine explorations in Yazd Province, for the first time in the country, a factory for the extraction of this valuable substance will be built there. The deputy of the Iranian atomic energy agency pointed out that so far, uranium has been identified on the surface and deep underground in the area. He said that in some of the identified mines, experts of the above-mentioned agency have reached rich uranium deposits, and according to their scientific evaluation, the extraction of this substance from those mines is economically feasible. The research deputy of the Iranian atomic energy agency said to reporters: "The various kinds of uranium veins and the variety of molybdenum, (teriyun), and (onadiyum), which are found in veins of 300 km down to a depth of 350 km, make these mines unique in the Middle East in terms of variety and economic potential and rare among the countries which have and process uranium."

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**Paper Details Catastrophic State of Teaching**  
*46400028 Stockholm NAMEH-YE MARDOM in Persian 6 Oct 87 p 3*

[Text] Once again the new academic year has begun and millions of Iranian students have come to the elementary and high schools of the country to learn and to begin a new road in their lives. But hundreds of thousands of students are missing from their desks in classrooms. A significant portion of these students have been victims of the dried brains and obstinacy of the reactionary rulers of the IRI in continuing the war, and a number of others have either been expelled for "moral" incompetence or have been imprisoned in the dungeons of the regime. A large number of students, too, have been executed by the executioners of the regime. Finally, many have dropped out of school for a variety of reasons.

Besides the shortages of elementary and high schools, the condition of teachers is also disastrous. A large number of the country's committed, experienced teachers have been dismissed as a result of the reactionary "purging" and "cultural revolution" plans and have been forced to pursue other occupations to make a living. In Issue 44, [illegible] Shahrivar 1366 [23 August-22 September 1987], concerning the income of teachers employed by the Ministry of Education, JOMHURI-YE ESLAMI writes: "We should realize that at the present, this Ministry pays 12,500 of its teachers salaries of less than 25,000 rials per month, 106,000 also receive up to 35,000 rials, and about 76,000 teachers are not employed at all by the Ministry of Education." Undoubtedly, given the extremely high cost of living, such small amounts can by no means support a teacher and his family, and for this reason: "In order to make up the financial shortages in their simple lives, teachers take on 40 to 50 hours of overtime teaching or other job at the side" (the same source).

Under such conditions, teachers cannot be expected to carry out their educational task well, a task which requires mental ease, study and continuous learning, along with a modicum of comfort.

Other educational resources are also very limited and expensive, and, therefore, unavailable to the majority of students, that is, the children of the laborers. Primary educational tools, such as paper and pens, are extremely expensive and very difficult to come by. The shortage of other educational resources, such as laboratories and audio-visual equipment, is also one of the stumbling blocks to the learning of sciences.

The regime of the IRI has thus far devised and "implemented" various plans in education. One of the plans causing much commotion was the KAD plan. As was said in the beginning about this plan: "Business and trades people will accept a number of students each day in their place of work, and, while benefitting from their assistance and work, will gradually train these students in the important and necessary aspects of the job"

(KEYHAN, 22 Khordad 61 [12 June 1982]). The goal of this plan was announced as combining work and knowledge. But today, with the passage of 5 years, this plan, like all the other plans of the regime in social and cultural areas, has failed miserably:

"Several students in experimental sciences say: We are always without anything to do at the training place. Sometimes we bring our textbooks to study the next day's lesson or we bring along story books to read" (ETTELA'AT), Gilan and Zanjan, 5 Mordad 66 [27 July 1987]). Or: "At the place of training, what we did not do was work.... In some areas, some of the supervisors use the simple-minded students as 'pages'" (the same source).

All this is the result of a plan about which so much propaganda had been made. The implementation of the KAD plan in Lahijan is an example. This situation can be witnessed anywhere in the country.

When it concerns the education of the children and youth of the country, the hands of the leaders of the regime of the IRI, who do not hesitate in the least to burn up the treasury of the country on the war fronts and to fill up the pockets of the dealers in death with petrodollars, tremble, and instead of allocating more funds for this vital concern, they offer the plan for nonprofit schools. According to Article 7 of the "bill to establish nonprofit schools," which has been ratified by the government of the IRI, "the financial resources of the nonprofit schools will consist of: (a) tuition collected from the parents of students, (b) aid received from the parents of students and charitable individuals and establishments" (ETTELA'AT, 27 Farvardin 66 [16 April 1987]). The core of this bill, which is deceptively referred to as the bill for the participation of people, is Article 7, which indicates that it has been prepared in order to secure "free" trade in the education of children and youths and profiteering. By implementing criminal and anti-people plans such as the "Guards Corps students," the regime of the IRI drags children and students to the fronts, sending them mercilessly to be slaughtered. In his press conference in Mashhad, Akrami, the minister of education, said: "We have millions of students who can take up arms and we have hundreds of thousands of teachers who can be effective in the war.... If the students feel that the imam of the people wishes the stronghold of the front to replace the stronghold of the classroom, all high schools and classes in the country will be transferred to the front" (ETTELA-AT, Khorasan, 6 Mordad 66 [28 July 1987]).

The extensive propaganda and noise by the regime of the IRI, which started first with the claim of fundamental change in the educational system of the country and eliminating the decadent cultural values of the past regime, has in practice today resulted in the destruction of the educational system, cultural decadence, and the domination of ignorance and superstition over educational centers. The incompetent individuals who rule the

educational system of the country have not stopped at the textbooks in the area of the inspection of ideas. They have distorted many issues in scientific, cultural and historical areas and filled the minds of the children and youth with a bunch of nonsense and superstition instead of historical and social realities. These terroristic measures in the education of the children and youth will have long-term destructive effects.

The IRI has essentially done nothing but destroy the educational system of the country, spreading ignorance and superstition and attempting to destroy the culture and civilization of the people of Iran with regard to education. And with every day that passes under the government of this reactionary regime, more blows are inflicted on the educational system of the country.

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### **Iranians to Receive 9 Years of Compulsory Education**

46000068 *Tehran KEYHAN INTERNATIONAL* in English 14 Dec 87 p 2

[Text] Tehran, 13 December (Kayhan Int'l)—Minister of Education Kazem Akrami said in Touyserkan (Hamadan Province) on Saturday that according to the ministry's new educational system, in order to eradicate illiteracy in Iran, the first 9 years of education would be compulsory for all Iranians.

Addressing a gathering of a number of teachers, ulema and officials of the province, he said that the present educational system in Iran, despite all efforts that have been carried out for its revising, did not have an Islamic quality.

"Islam is the source of the new educational system," he said.

He went on to say that the new system consisted of two phases, he added. "The first phase is general and second one is theoretical (Nasari)."

He continued that all 5-year-old children were eligible for entering into the first phase of the education system, which took 5 years.

"All teachers for this phase should hold an associate degree," he added.

Akrami said that the second phase consisted of a 2-year period names "Ershad" (guidance) and 5-year high school period.

He said that the high school's education would be based on credit system and the last year of it would be that of vocational training.

/12232

### **Six Thousand Students Reportedly Expelled from Universities**

46400044b London *KEYHAN in Persian* 3 Dec 87 p 3

[Text] The officials of the supreme cultural revolution council confessed last week that in the past few years, 6,000 university and college students have been prevented from continuing their education due to political activities against the Islamic Republic, and some of them are either being detained or are still in prison.

Engineer Mohammad Rahmati, a member of the revolution council, explained in this regard:

In a recent meeting between the members of the council and Ayatollah Montazeri, he emphasized the investigation of the situation of expelled students and their return to the classroom and said: "If these 6,000 students who have been deprived of education show that they are no threat to the Islamic Republic, let them continue their education."

With the investigation by the officials of the Ministry of Information and Security, the organization for prison affairs and the Revolution Prosecutor's Office, and through local investigations and personal interviews with those who have been deprived of continuing their education, and with the approval of reliable persons, the decision was made concerning 800 of them. Also, it became clear that an investigation of the situation of 3,000 of these students is not on the agenda of the new investigation committee.

Of the remainder of the cases, the situation with regard to 2,000 students was scrutinized, and as a result, 800 applicants were permitted to return to the classroom.

Rahmati said that of these 2,000, 10 persons received a final expulsion ruling.

He added that the expelled students are divided into three groups:

The first group consists of those who did not register in time after the universities were reopened in 1363 [21 March 1984-20 March 1985], who are considered absent.

The second group consists of those who were asked to apply for a reexamination of their political files but did not do so. They are considered dropout students.

The third group consists of students who were in prison when the situation of the expelled students was reexamined and, hence, could not request an investigation of their cases.

The spokesman of the supreme cultural revolution council said:

"The situation with regard to the cases of 1,000 students expelled from the universities is unclear because the Ministry of Information and Security has not as yet declared its opinion, and we now are awaiting the opinion of security organizations."

It should be pointed out that after the reopening of universities in 1364 [21 March 1985-20 March 1986], thousands of students were left outside the gates of the universities, according to a report by "SAVAMA" organizations.

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### Illiteracy Reportedly Increasing

46400048a London KEYHAN in Persian 10 Dec 87 p 2

[Text] After studying the results of the latest census, experts at the Iran Statistics Center warned Islamic republic officials that, contrary to the noisy propaganda concerning advances in literacy training over the last few years in the Islamic Republic, illiteracy has not only failed to decrease in the Islamic republic, it is on the rise!

They say that although the census of 1355 [21 March 1976-20 March 1977] showed that the number of illiterates had been reduced to 14.224 million, the census of 1365 [21 March 1986-20 March 1987] again presented experts with sad statistics, with the number of illiterates at 14.61 million, more than in the year 1355.

An expert on educational affairs says: It is true that the number of literate persons has risen from five million to 24 million over the 20 year period between 1345 [21 March 1956-20 March 1957] and 1365 [21 March 1986-20 March 1987], but it must not be forgotten that in 1345 the number of people six years of age and older in the country was 19 million, while the number seven years of age and older in 1365 increased to 38 million, meaning that between 1345 and 1365 the population six to seven years and older in Iran doubled.

The experts say: Although there is talk everywhere of literacy training, unfortunately the rate of illiteracy in Iran is still very high and the people want to know the reason.

The literate population of Iran increased from 12.9 million to 24 million between 1355 and 1365, but in the view of experts there is no scientific or statistical value to counting the literate people without reference to statistics on illiterates. Technicians believe that the Islamic republic is still actually behind most Third World countries in its literacy training projects. A study of Third World countries shows that in implementing literacy training programs most of them have had shining successes, and that in general the state of literacy training in those countries is much better than in Iran.

What Iran and other Third World nations are up against is the disproportion between the rate of population growth and the percentage of the population covered by literacy training.

The comparison between the population growth rate of 3.5 percent annually with the less than two percent annual literacy training rate is cause for serious concern.

Education specialists and sociologists say that it is not clear how illiteracy can be eradicated in this way.

In the years before the revolution the growth of literacy compared to population growth was absolutely striking, because even if half of the tens of thousands of literacy crusaders working in the villages were positively and fruitfully active, the number of people receiving literacy training would have increased significantly. The literacy crusaders were fulfilling their military service obligation by teaching a year and a half in remote villages, and they also received help with expenses.

Another point extracted from the statistics by the reporters which should be noted, is that most of the children and young people now in elementary and secondary schools in Iran reached school age under the current regime.

Experts believe that if the Islamic Republic trully wants to eradicate illiteracy, it must raise the rate of literacy training from two percent to four percent.

9310

### Housing Construction Falling for 4th Straight Year

46400050a London KEYHAN in Persian 10 Dec p 11

[Text] Construction activity in Iran has declined for the fourth straight year, and experts on development predict that if the decline continues and the number of newly-built housing units declines, the current extensive housing shortage problems, in view of the rapid rate of Iran's population growth, will take on new dimensions.

Recently the Central Bank of the Islamic Republic of Iran's Office of Economic Studies published a statistical report on the construction permits issued in 1365 [21 March 1986-20 March 1987]. It announced that the construction of housing units declined for the fourth straight year, and that the current housing crisis will soon take on new dimensions.

According to statistics from the Central Bank of the Islamic Republic, last year permits were issued in the nation's urban areas to build 113,116 new buildings with 27.3 million square meters of foundation. A comparison of these figures with the statistics of 1364 [21 March 1985-20 March 1986] shows that the number of permits issued and the total foundation area decreased 12.8 and 10.7 percent respectively. In the year discussed (1365), of

all the figures for permits issued in the nation's urban areas, 55.6 percent were for single-story buildings, 29.7 percent were for two-story buildings, and the remaining 14.7 percent were for buildings three stories and higher. According to the above statistics and a comparison of them with statistics for the year 1364, the numbers of one-story, two-story and three-story buildings declined 19.9 percent, 1.2 percent and 3.2 percent respectively.

Statistics from the Central Bank of the Islamic Republic show that of all construction permits issued in 1365 in Tehran 5.1 percent were for single-story buildings, 17.3 percent were for two-story buildings, and 77.6 percent were for buildings three stories high and higher. Compared to the year 1364, the figures for one-story and two-story buildings declined 82.7 and 29.7 percent respectively, while there was a 4.3 percent increase in permits for buildings three stories high and higher.

In the year 1365 [21 March 1986-20 March 1987] the major municipalities of Iran issued permits for a total of 29,576 new buildings with a total 7.1 million square meters of foundation. Compared to the year 1364 [21 March 1985-20 March 1986], this shows a decline in the number of permits and in area of foundation space of 27.4 percent and 20.7 percent respectively. The average total foundation area of these structures was calculated at 239.2 square meters, a 9.3 percent increase over the year 1364.

In its report on construction permits issued for 1365, the Central Bank of the Islamic Republic notes that of all the permits issued in the major cities, 49.9 percent were for single-story buildings, 39.9 percent were for two-story structures and 40.3 percent were for three-story buildings, and 16.8 percent were for buildings more than three stories high. Compared to the year 1364, the percentages of construction permits issued for one-story, two-story and three-story and higher buildings were 39.7, 17.2 and 6.2 percent respectively.

In the year 1365 the municipalities in the rest of the country issued construction permits for a total of 71,907 new structures with a total of 13.7 million square meters of foundation space. Compared to the previous year, this represents a decline in numbers and total foundation area of 2.8 and 0.7 percent respectively. The average area of the foundations of these structures was 191.2 square meters, an increase of about 2.1 percent over the year 1364.

The report from the Central Bank of the Islamic Republic on construction permit statistics for the year 1365 states that in the year discussed, of all construction permits issued in the country's other urban areas, 69 percent were for one-story buildings, 27.3 percent were for two-story buildings, and 3.7 percent were for buildings three-stories high and higher. Compared to the year

1364, the figures for one-story and three-story and higher buildings declined 8.1 and 18.3 percent respectively, while there was a 17.5 percent increase in permits for two-story buildings.

9310

#### **Yearly Population Growth Rate 3.7 Percent** *46400046b London KEYHAN in Persian 3 Dec 87 p 8*

[Text] Of the employed population in Iran, 42 percent were working in the services sector, according to the census for 1356 [21 March 1977-20 March 1978] [as published].

While the average net world population growth is 1.67 percent annually, this coefficient has been announced as between 3.5 and 3.7 percent for Iran. Considering this growth rate and the calculation of the population growth based on this coefficient, the population of the country last Mehr [23 September-22 October] amounted to 52 million persons.

Some time ago, Majid Jamshidi, the director of Iranian statistics center, referred to the main results of the census of people and housing in the country in 1365 [21 March 1986-20 March 1987] and announced that the total population of the country in 1365 [1986-87] reached 49,758,384, of which total 25,491,465 are men and 34,365,739 are women.

According to the Iranian statistics center, Iran has a relatively young population, 45.15 percent consisting of persons 15 years of age and younger. According to these statistics, last year 51.5 percent of the total population of Iran were in the 15-64 age group and the remaining 3 percent were 65 years of age and older.

#### **About One Third of Men 15 Years of Age and Older Are Still Single**

Concerning marital status in Iran, the director of the Iranian statistical center said: "About 30 percent of males over 15 years of age in the country have never been married, and 68.4 percent have been married at least once. Among the latter group, during census taking, 97.2 percent had spouses, 2.1 percent were widowers, and 0.7 percent were divorced and had not remarried. Also, among females 10 years of age and older, 31.6 percent had never been married, but 66.5 percent had been married at least once. Among the latter group, too, 88 percent had spouses during the time of census taking, 11 percent were widows, and 1 percent were divorced."

The director of the Iranian statistics center mentioned the number of live births between Mehr [23 September-22 October] of 1364 [1985] and the same month in 1365 [1986] as 1,586,479 and added: "Of this number, 1,567,503 involved women 10 to 49 years of age." He

announced the birth rate of the country as 31.8 per thousand and said that the birth rate in the urban areas was 30.5 per thousand and 33.4 per thousand in rural areas.

Majid Jamshidi offered the statistics concerning the active forces in the country, which include employed and unemployed persons, and said: "Of the population 20 years of age and older in the country, which is 33,183,174, 13,041,000 are active, therefore, the active force counted in the country is 39.3 percent. Among the employed persons, 29.6 percent are in the agricultural sector, 33.2 percent are workers in production jobs and transportation, and 9.5 percent are scientific, technical and specialized employees.

In discussing the active unemployed population, the director of the Iranian statistics center ignored figures on the unemployed in the country and in the text of his interview published in KEYHAN (Tehran), no reference is made to how many people are unemployed in the Islamic Republic. The statistics presented by the director of the Iranian census center concerning the employed population also do not include the kind of employment of those working. Hence, by not clarifying the percentage of productive and nonproductive jobs, and also by not presenting the number of hidden unemployed people, the director of statistical affairs of the Islamic Republic avoided a clear picture of the employed population of the country. Concerning the composition of the major active economic groups, he pointed out that 29.1 percent are employed in the agricultural sector, 25.5 percent in the industries sector, and 42 percent in the services sector. The statistics offered by the director of the Iranian statistics center do not include figures on the participation of women in the job market and the number of women who are not employed in productive or full-time jobs in various economic sectors. According to the statistics presented by Majid Jamshidi, the 1365 [1986-87] census shows that of the total number of employed persons 10 years of age and older, 65 percent are in the private sector and 30.9 percent are wage earners and salaried persons in the public sector. In urban areas, 52.1 percent are active in the private sector and 49.2 percent in the public sector.

In his interview with the representatives of the mass media, the director of the Iranian statistics center referred to the number and distribution of the families in the country. He pointed out that, according to the 1365 [1986-87] census, 9,759,275 families were counted. The makeup of families (the average number of people in a family) for the whole country was 5.1 persons and for urban and rural areas, 4.8 and 5.4 persons, respectively.

10000

## NEPAL

### Denmark To Provide Assistance

46000062c Kathmandu *THE MOTHERLAND* in English 15 Dec 87 pp 1, 4

[Text] Denmark is to provide Nepal with a grant assistance of Danish Kronor 100 million for the dairy development.

An agreement to this effect was signed yesterday between His Majesty's Government of Nepal and the Government of Denmark at the Finance Ministry.

The grant assistance will be utilized for the rehabilitation and the expansion of dairy factories and the feasibility studies on a UHT-plant and a skimmed milk powder plant says a press release of the ministry.

This programme is expected to be completed by 1990/91.

The agreement was signed by Lok Bahadur Shrestha, Finance Secretary and Stefan Kovacs, Charge d'Affaires, Denmark on behalf of His Majesty's Government of Nepal and the Government of Denmark respectively.

His Majesty's Government of Nepal has in the press release expressed sincere appreciation to the government of Denmark for the grant assistance provided under this agreement and the continued cooperation in the economic development of Nepal.

Speaking on the occasion, Finance Secretary Shrestha referred to Nepal-Denmark cooperation and hoped the grant would be useful in consolidating the dairy sector in Nepal.

Danish Charge d'Affaires Stefan Kovacs spoke of the friendly ties subsisting between the two countries and said the grant would help Nepal in promoting the dairy industries.

/9274

## PAKISTAN

### Baluchistan Said Deriving Exceptional Benefits From Development Efforts

46560015a Karachi *JASARAT* in Urdu 19 Nov 87 p 3

[Column 'Siyasat Namah' by Abdul Karim Abid: "The Impacts of National and Foreign Investments in Baluchistan"]

[Text] During President Ziaul Haq's tenure, Baluchistan politically has become a "quiet zone." The mountains, which during the era of Ayub Khan and Bhutto were a permanent source of the tumult of the activities of the Baluch nationalist guerrillas, have become desolate. The

Maingal and the Marri have migrated. They feel that this is the time to sit idle or to let out their anger through newspaper interviews and statements. They are waiting for (God forbid) some calamity to strike Pakistan so that the way for their politics would be paved. Both Baiuchi nationalist leaders and followers feel that wisdom lies in keeping silent, and that they should avoid confrontation with the government. They have made room for the "Muslim League" without any confrontation or protest, while they, after retreating, are lying enclosed in their respective shells. They are more concerned and worried about the fact that the ratio and dominance of the Pathan inhabitance among the Baluch population has increased and is continuing to increase. Nonetheless, they are tolerating that as well. But why? Because, for the first time, during President Ziaul Haq's reign, the national and foreign treasuries have been made available for Baluchistan. In the name of constructive and developmental schemes, limitless rupees are being distributed from top to bottom. Everyone is benefitting from this flowing Ganges. Everyone wishes to surpass others in obtaining money. There is no chance of agitational or rebellious politics in this sort of environment. Despite constant contacts by the nationalist Sindis, Baluchistan is not prepared to change.

Financially speaking, the federal government is so benevolent towards Baluchistan that by ignoring the developmental fund's formula of the population ratio, it is granting this province as much aid as it desires. This began during the time of General Rahimuddin, who was highly influential and efficacious. He persuaded the federal government to accept the idea that Baluchistan should be provided with developmental funds on the basis of its vast area instead of its population. Then General Ziaul Haq decided that since all the requirements of the vastness of its area cannot be fulfilled by Pakistan's national treasury, foreign countries should also be associated with the development of Baluchistan.

In this connection gigantic projects involving huge amounts of money were started with funds from Saudi Arabia and Kuwait. Additionally, money from Japan, Germany, Belgium, and the United States, the World Bank and other financial institutions of the world began flowing through the veins of the province. The World Bank and the Asian Development Bank advise Baluchistan authorities to quickly spend whatever has been given to them, and then to obtain more capital. The problem is that the Baluchistan authorities cannot spend money speedily in Baluchistan. It requires time. Under Baluchistan's circumstances, it is extremely difficult to make plans and to obtain expert and skillful manpower. Still, through every possible means, both national and foreign development aid is being utilized, and new projects are being prepared for the sake of new aid. As a result of this, so much progress has been made that according to the words of the chief secretary, S.R. Uniker, "If someone has to go from Quetta to Makran by air, he has to reserve his seat one month in advance. The province is passing through the happiest period of its

history. The United States also is spending generously for the construction of roads and airports. It seems that the United States, Europe and, the Islamic world have all decided that in order to safeguard this province from communism, it is essential to create a new middle class that could think beyond regionalism by injecting capital into this area. Baluchistan is taking full advantage of this line of thinking.

This perception of Baluchistan has been established after having talked to the Baluch personalities during a ceremony honoring the URDU DIGEST Special Supplement on Baluchistan. The chief minister of the province, ministers, government officials, journalists and a large number of political workers participated in this ceremony. All these people came to Lahore from various parts of Baluchistan. They all seemed to agree that Baluchistan is no longer a province to be ignored. On the contrary, it has become a province upon which both internal and external attentions are centered. As a result of these considerations, its backward existence is gaining new strength and advancement. When we talked to the journalists of Baluchistan, they told us that the local elections would also produce a new heat in the body of Baluchistan. It is true that the province's Muslim League leadership consists of lords and chiefs. But through the process of local elections, the leadership of a new middle class would also come to the forefront. It would have contact with the common man, and it would be able to represent their problems.

During this ceremony of the URDU DIGEST, Chief Minister Jam Ghulam Qadir said that after being ignored for 40 years, now that the process of development has begun in Baluchistan, some people are frowning at it. They also say that Baluchistan should not be granted so much. They are propagandizing that aid is being wasted or misused. Actually, these people wish to stop our aid. It is true that aid was also misused, but we have taken action against such persons, and they have been punished. The chief minister admitted that the simple-minded tribesmen also create obstacles in a development task and oppose it. Whether it is an issue of road construction or a plan to establish a hospital, they express opposition by provocation. The chiefs of the Marri tribe are already advising their members to leave the country and go to Afghanistan. If the circumstances are favorable in Afghanistan, hundreds of thousands of people would not have escaped to seek refuge with us. Jam Ghulam Qadir remarked that the whole problem was created by those people who were anti-Pakistan from the very beginning, and they are still anti-Pakistan today. The administration, however, provides them facilities to travel to Britain for amusement, and the Punjab newspapers grant publicity to them. The Punjab should realize that by demonstrating generosity and liberal-mindedness in dealing with anti-Pakistan individuals, their cause is damaging the country.

The governor of Baluchistan, General Musa, has said clearly that the intention of the Soviet Union is not good; it desires to reach the warm water ports and control the

gulf region. Baluchistan will block the Soviet Union's path to achieve these goals. Today's Baluchistan is not as weak and helpless as it was previously. The patriotic elements there hold a decisive status and power. Mr. Usman Jogeza and Sardar Khan Kakar also said that there is no need to be afraid of rumors spread by enemies concerning Baluchistan. The conditions were never as favorable in this province as they are today. The anti-Pakistan elements, however, are in despair since the separatists have faced defeat in Baluchistan. People at every level believe that separation is not the path of progress, and that one can live only by uniting with others.

Dr. Anis Ahmad who is a great expert in the field of anthropology in Pakistan presented an article on Baluchistan. He disclosed that area-wise Baluchistan is the largest province of Pakistan, but in respect of population, it is so small that only 12 persons live per square mile. The development of the region is impossible without men. The new state of affairs are prevailing in Baluchistan. The area that was CR previously, is now of VCR [sentence as published]. From the very beginning, the Soviet Union has focused its attention on this region. But the ratio of population has changed after the arrival of the Afghan refugees. The new conditions are unfavorable for the Soviet Union. The future situation of Pakistan and the Middle East would be sculptured on the basis of whatever is happening in Baluchistan today. With regard to the changes that are taking place in Baluchistan, he proposed that a national convention should be held, so that the people could become aware of the changes and their impacts. In this gathering, Mr. Mujibur Rahman Shami read his column about Baluchistan, which has been published in the NAWA-I-WAQT.

Iltaf Hasan Qureshi proclaimed Brigadier Usman as the epithet of Baluchistan's history. Usman Sahib with the aid of slides threw light on the history of Baluchistan. He claimed that its civilization is more ancient than that of Mohenjodaro. During the years 4,000 to 5,000 B.C., this civilization left its impacts on the Mohenjodaro civilization. Brigadier Usman also showed slides of archeological remains discovered during excavations which gave proof of this ancient Baluch civilization and its advancement. The principal of Gulburg Girls College, Dr. Mehmuna Ansari, also read her thesis in this meeting. It emphasized the significance of Urdu for the national unity.

At the conclusion of this ceremony of the URDU DIGEST and during this meeting at Lahore, frank and informal talks were held between the representatives of the people of both the Punjab and Baluchistan. It was learned from these talks that although today's Baluchistan is not satisfied and it maintains a lengthy register of complaints, compared to the previous era, it not only considers the present era as a blessing, but it is more bent upon gathering together its blessings and benefitting from it.

9779/08309

**Punjab's Planned Compulsory High School Education 'Wishful Thinking'**  
46560012b Lahore NAWA-I-WAQT in Urdu  
11 Nov 87 p 3

[Text] According to press reports, the Punjab government is busy preparing a new educational scheme, 'wonderful skill', which proposes to declare high school education compulsory throughout the province within the next 3 years. By itself educational progress is a very good thing and the provincial government's thinking in this regard is welcome. Talk of compulsory high school education in a province where 75 percent of the children are without any schooling whatsoever is mere wishful thinking. It is our national tragedy that people occupying sensitive positions are great experts in flights of fancy but they have no notion of the realities of the situation. It is a pity that during the 40 years of independence we have not been able to make progress in education even at a snail's pace; now we are suddenly talking of compulsory high school education. It appears that there is no coordination between our national and provincial educational policies. The experts who lay down educational policies at the national level have different priorities and the provincial education experts have a different line of thinking. This is why our performance in the educational field has been dismal. Countries which became independent after us are miles ahead of us in literary rates and most of the countries in the Third World which are worse off than us, have made stunning progress in the field of education, but we have not been able to evolve a firm policy. Sometimes we waste millions of rupees on "Let one teach one" and sometimes we start gathering statistics in the name of model schools. Thus, even after an educational expenditure which is second only to defense, our educational achievement is nil. If we had the policy of accountability in our country, the experts who waste billions of rupees would have been on the docket, but after the crash of one scheme, we once again start working on yet another similar scheme. So long as we keep on building castles in the sky, we will not be able to make any progress in the educational field. Therefore, it is essential that we come down to earth and face reality. Our literary rate is very low. To make all our children literate we should take a warlike initiative in opening primary schools. Before tackling matrice, i.e., high and middle schools, we should concentrate on primary schools. In a country in which there are not yet facilities for primary education for every child, declaring high school education compulsory for every child is no different than wishful thinking.

12286/08309

**Yaqub Khan's Departure From MPA Discussed**  
46560011b Lahore CHATAN in Urdu 14 Nov 87 p 15

[Commentary by Abdul Hakim Amar: "Change in Pakistan's Foreign Policy"]

[Excerpts] As far as I remember when the former foreign minister, Mr Agha Shahi, resigned his office, the account of the incident printed in the following day's newspapers, was discussed by my friend and teacher, the late well-known journalist, Professor Waris Mir, and myself. We had a fruitful discussion in the American Center, Lahore, regarding the advantages, disadvantages, and causes of Agha Shahi's resignation. The sum and substance of the discussion on this complicated subject was that we, teacher and pupil, were in agreement that only Agha Shahi, with his understanding and sensitivity of international situations and developments, had begun to feel that the interest of Pakistan lies in not relying solely on America. Pakistan must develop a certain flexibility in its foreign policy, and if possible, it should try to win the confidence of the Soviet Union. Only Agha Shahi is an expert in the field of foreign policy making; his God given gifts and partly his more-than-needed closeness to Bhutto had given him expertise in foreign affairs. He is in the habit of seeing both sides of the picture and he had come to feel that sitting in the lap of America is not at all in Pakistan's interests. We believe that when he put his apprehensions before the president and the prime minister, perhaps did not agree with his fears and he had to either resign or his resignation would be demanded. It is now debatable whether with the resignation of Agha Shahi Pakistan lost a wise and successful foreign minister. Agha Shahi left and Yaqub Ali Khan came in.

We have repeatedly stressed that twists and turns of politics are beyond the military minds. Because Yaqub Ali Khan has a military mentality, although he did become the foreign minister, he could not create the kind of foreign policy that Pakistan so badly needs under the present conditions. He put all his eggs in the American basket. Because of this policy, he began to drift away from the Soviet Union and from several Arab countries. Pakistan began to be surrounded by enemies on all borders. Certain foreign and some national forces began to take advantage of this situation; even America had wrong ideas about the Pakistani Government. Step by step India began to inch closer to America while Miss Bhutto succeeded in obtaining America's blessings. The situation became very critical for Pakistan. If we examine the present conditions and developments, we will find that our friendship with America has suffered by 50 percent. If it were not for certain geographical compulsions, America would waste no time in breaking off relations with Pakistan, but at the moment it is not in a position to do so. In the course of this period, retired air marshal, Asghar Khan, visited Kabul. Maulana Qausar Niazi returned home after meeting with Moscow leaders. Maulana Fazla Al Rahman returned from meetings with Qadhdhafi and other Arab leaders. When all these leaders with diverse political ideas reached home, they all had the same kind of demand: For God's sake, change Pakistan's foreign policy. It is another matter that Asghar Khan, Qausar Niazi, and the other politicians each had his own way of saying things but the essence of what they said was that Pakistan should be released from America's grip. Junejo and his government acutely felt the critical nature of the situation; it is this feeling in the government that led to

the resignation of Sahibzada Yaqub Ali Khan. The appointment of foreign ministers is in the hands of Prime Minister Junejo. Certain candidates have been suggested but somehow our heart is not prepared to accept these candidates. Ever since Bhutto was hanged, the government has received a lot of assistance from Maulana Quasar Niazi in matters relating to foreign affairs; he has successfully carried out these responsibilities. Maulana's recent visit to Moscow is the last and the most important item of this assistance. We are not the kind of writers who can peer in the crystal ball and predict who will be the next foreign minister of Pakistan. The responsibility for this fell on the president and Prime Minister Junejo who have chosen Pir Pagaro. We are impatiently waiting for this announcement. It is quite possible that even before this article is published, Pakistan may have a new foreign minister.

12286/08309

**Official Claims of Using Urdu As National Language**  
*46560015b Karachi JASARAT in Urdu 19 Nov 87 p 3*

[Editorial: "Tragedy of the National Language"]

[Text] One means of identifying nations is through their language. Most countries of the world speak a national language, and they are rightfully proud of it, too. Pakistan, however, is a country where the issue of whether or not to choose a national language has been postponed for the last 40 years. After short intervals, various views about this issue do come to the limelight. Some support the granting of superiority to the English language, some complain about the narrow limits of the national language, while others say, according to Alama Iqbal, "Urdu is still in need of support." The common people demand that the national language should be introduced at every level. Recently, President Ziaul Haq, while addressing a convention at the Dow Medical College, said that English is an international language which in view of its significance and all embracing nature will remain in force in this country along with Urdu. However, the English language cannot be granted an opportunity to prosper by ignoring the national and regional languages. The children should be given primary education in their mother tongue because it is a natural source.

Due to the state of conflict and confrontation between Urdu and English which has been taking place for the last 40 years in Pakistan, the entire Pakistani nation is a victim of confusion on the national level. The fact of the matter is that although we are in instant need of English to acquire advanced science and technology, we cannot ignore the necessity of increasing the rate of literacy. Without an increase in the literacy rate, we cannot perform any mentionable feat in the fields of science and research. In this situation, instead of making Urdu and English each others opponent, we will have, for a fixed period of time, to make arrangement for the parallel progress and promotion of both languages. For the past 40 years, one specific group and the bureaucracy, in order to accomplish their contemptible

goals, have strived to establish the superiority of English by describing the defects and weaknesses of the Urdu language. As a result of this, a tremendous zeal of conformity and opposition to English has been created in the nation. Urdu, the national language, has been usurped of its rights and its progress has been hindered. President Ziaul Haq's statement to an extent is right that English should go side by side with Urdu, but for a fixed period of time, so that after making Urdu a scientific and technical language, we become totally independent of English. Similarly, the progress of regional languages is also essential, since our holy homeland contains flowers of various colors. This does not at all mean that Urdu should be ignored; that it should be given the status of a "co-wife" along with the regional languages; or that by ignoring Urdu, an effort should be made to promote and popularize the regional languages. In such a situation anarchy and a linguistic party system would come into existence in the country, which under no circumstances would benefit from it.

What the president has said about giving elementary education in the mother-tongue is absolutely new mischief. The prerequisite of the community oneness and national unity is that the lawful status of the regional languages should be honored. But Urdu should be the medium of instruction at every level, so that the riots that have already erupted in the country today in the name of language, race, and nationality could be totally suppressed. This objective cannot be achieved by teaching the mother-tongue. Urdu enjoys the pride of being spoken and understood from Khyber to Makran. To put asunder the relationship and national contacts made through this language by teaching in the mother-tongues would further increase estrangement among the various provinces, regions and linguistic groups. This cannot possibly be ignored by any sensible person. The Punjab which enjoys the honor of being the most advanced province of Pakistan, has never demanded that elementary education should be given in the so-called mother-tongue. The medium of instruction in the North West Frontier Province, Baluchistan, and Azad Kashmir is also Urdu. In Sind, Urdu and Sindhi are both essential up to matric, i.e., high school. No one objects to that. This method of procedure should be left as it is. God knows whether our president has made this remark after contemplating over it or merely to console someone. Such demands are made only by those intellectuals whose own children receive education in the United States and Europe. The rulers should now bid farewell to such tactics. Their own children receive education in prominent educational institutions and gain mastery over the English language, while the children of the common folk receive education in mosques and religious schools in their mother-tongue. The ignorant people are made happy by saying that their children are receiving education in their own mother-tongue. We take this opportunity to mention the fact that before the establishment of Pakistan, in the Usmania University of Hyderabad, Deccan, Urdu was the medium of instruction for all top-level degrees. No one ever complained that Urdu lacks the capability to express scientific and technical knowledge. Please bear in mind that nations have their own languages, and the national language is their identity. How very unfortunate it is that after 40

years time we still have been unable to decide whether or not the national language should be enforced in the country; even if it is enforced, whether its status should be superior or inferior to English. If our administrators consider both the languages essential for the progress of the country, they should at least grant equal opportunities to both the languages. They should also include Urdu as a means of expression in the exams for top-level government posts. Otherwise, the claim of love for Urdu would be mere hypocrisy.

9779/08309

**Editorial Urges Diplomatic Efforts To Resolve Afghan Issue**

46560011a Lahore CHATAN in Urdu 14 Nov 87 p 5

[Editorial: "Pakistan Wins in the U.N., But..."]

[Text] It is good that as expected and just like last time, Pakistan's resolution was adopted by the United Nations General Assembly by a huge majority. When the resolution was adopted for the first time, 104 countries voted for it, but this time it received 122 votes. This is undoubtedly a diplomatic and political victory just as the prime minister of Pakistan, Mohammad Khan Junejo, with pride has correctly described it. But in the context of a peaceful resolution of the Afghanistan issue, this cannot be considered the last word or the final document because the Russian ambassador in Pakistan, Abdul Rahman Waziruff, has rejected it as a regrettable step and in blunt words has once again stressed the need to ensure success of bilateral talks and a political resolution based on the Geneva talks.

The Russian ambassador's charge that some people in Islamabad have adopted America's warlike stand, which is contrary to the interests of the people of Pakistan, and have consistently rejected Russian appeals, is very serious and deserves the immediate and special attention of the foreign policy advisers. Therefore, the diplomatic victory that Pakistan has won on the international stage is yet to be turned into reality. Whenever the next round of Geneva talks begins, it should by now be at a final and decisive stage because time is fast running out. For Pakistan, it is completely possible and even essential that by achieving a political resolution through peaceful talks, it should demonstrate to the world that the spirit of peaceful existence and genuine neutrality can become an honorable and a just basis for solving any problem. By settling all remaining political differences with the Russian high-level delegation that is visiting Pakistan, overall economic and social cooperation can be given the happy shape of friendship. Postponing the Geneva talks in the expectation of a Reagan-Gorbachev meeting will not be in Pakistan's interests at all. This time Pakistan itself should propose that the Geneva talks conclude by 7 December so that Pakistan may take the credit for creating peace in Southwest Asia. Statements of the Russian ambassador and the federal minister for trade, Dr. Mahboob Alhaq, confirm the ideas of Wali Khan, Asghar Khan, Ghulam Mustapha Jatoi, Qausar Niazi, and Fakhar

Imam. Therefore, the Pakistan Foreign Ministry should find some way of fixing the next round of Geneva talks. The only way to frustrate the diplomacy of India, America, and other anti-Pakistan countries is to make sure that the Gulf war does not reach the shores of Karachi, Gawadar, or Makran. Prime Minister Junejo's farsightedness and fairness demand that he should hold talks with all political leaders on the issue of Afghanistan because in so doing he will prove himself to be a democratic leader who is a friend of the people, and he will show America that the Pakistani people are united. Differences over objectives should never be looked on as confrontation and dispute.

12286/08309

**Kala Bagh: Ruling Party Urged To Find Solution to Stalemate**

46560012a Lahore NAWA-I-WAQT in Urdu  
11 Nov 87 p 3

[Editorial: "Kala Bagh: Muslim League Should Find A Solution"]

[Text] Talking to newsmen in Lahore the chief minister of Sind, Sayyad Gaus Ali Shah said, "The Kala Bagh Dam project is a contentious issue. As a patriotic citizen, I support this project because this is in the best interests of the nation. The present Muslim League government can make a final decision on it because power at the capital and in the four provinces is in the hands of the party and there should not be any difficulty in reaching a unanimous decision." In view of the opposition in the various provinces to the Kala Bagh Dam, there can be no better way than to have the ruling party make a decision on it, not on the governmental but on the party level; for this purpose a meeting of the Pakistan Muslim League's high command should be called without any further delay. Here the chief ministers from the four provinces will be present to express their opinions in their official capacities. After reviewing their suggestions and complaints in depth, the project should be implemented in the light of whatever decision the high command makes in the best interests of the nation. The Kala Bagh Dam's importance is an admitted fact. The country is presently faced with a very serious energy crisis. All current sources of electricity are unable to meet the country's needs. The fact is that the country's agricultural and industrial production has been severely affected because of the lack of electricity and economic progress has practically come to a stop. For several years now the nation has been frustrated as a result of load-shedding. City life has been paralyzed because hour after hour there is no electricity. To avoid losses the management of factories and industrial plants is forced to lay off workers. This leads to discontent among the working class. Because of the economic slump there is no scope for new capital development. Currently, foreign investors have no desire to come to Pakistan. One source of electricity is the atomic power generators; in advanced countries, such as France, the entire production of electricity is dependent upon atomic power. But unfortunately for Pakistan, in the field of atomic power generation our hands have been tied

and Pakistan's atomic research has been subjected to innumerable groundless doubts and suspicions. The Indian-Israeli lobby has maligned Pakistan all over the world for the "Islamic Bomb." Because of this campaign and certain other reasons, America has expressed severe opposition to Pakistan's atomic program and a powerful campaign is underway to persuade other developed countries to boycott Pakistan's atomic program. The result is that no country is prepared to provide Pakistan with the necessary technology and equipment for atomic power plants. Under these conditions, we have only one source of electricity and we should take advantage of our water resources. Nature has accorded us this blessing and we are producing electricity by building big dams. In this context the Kala Bagh Dam project has been under consideration for a quarter of a century. The past governments have approved this project after examining every angle of it. In view of the increasing pressure on fuel resources, work on this project should have begun by now so that the country's needs could be met by the end of this century. Because of campaigns by some selfish politicians of limited influence, on the provincial level, this project has been declared a disputed issue among the four provinces. The North West Frontier Province government objects that due to the height of the proposed dam there is a fear that several important cities and towns will be ruined; Nowshera is mentioned in particular. In the proposed project, experts have dwelt in detail on the safety programs for Nowshera and millions of rupees have been earmarked for this purpose. Various political parties of the North West Frontier Province have been expressing their own points of view. Taking advantage of this confused thinking, the "red shirt" family has taken leadership of the "anti-Kala Bagh Dam movement" and Ghaffar Khan has even threatened to destroy it with a bomb. On one occasion he even said that he will send the dam "ticketless to Karachi." Some engineers of the North West Frontier Province have also opposed the project; it is a pity that this also includes those gentlemen, who while leading the Wapda, have given approval to the project. As far as Sind Province is concerned, it is said that they will not permit anyone to use the Sind waters. The fact is that in the course of building the Kala Bagh Dam, the Sind waters will not be used for any one province. Rather, the electricity generated from it will be used to transform the agriculture, industry, and civic life of the entire nation. Sind Province's objection is unrealistic on the ground that the Sind River water is causing havoc in lower Sind. Because of excess water, the most fertile lands of Sind are being ruined and a major portion of Sind's agricultural land is becoming a waterlogged mire. Baluchistan has not remained behind in opposing Kala Bagh Dam and some people are saying that the Kala Bagh Dam is solely in the interests of the Punjab. This is nothing short of a misunderstanding. Patriotism and wisdom demand that this project be viewed in the context of the national interest. Opposing this important project by associating it with a particular province is by no means in the national interest. For the sake of supposition, if this project were really in the interest of the Punjab, would it have been opposed in the same manner? This action is by no means fitting for a living nation. Especially at a time when the creator of Pakistan, the Muslim League, is once again at the helm of affairs in the capital and in the four provinces;

there should be no confrontation over any project at the governmental level. Under these conditions it becomes the Muslim League's duty to bring its governments under party discipline; it is not necessary that a deaf ear be turned to everyone's opinion to do this. By inviting everyone's opinion in the central high command in order to obtain unanimity; and by listening to every objection cheerfully, the necessary changes in the project should be carried out and the project should be implemented in a spirit of love and brotherhood. When the dam is completed, it will initially produce 2,400 megawatts of electricity and it will later increase to 3,600 megawatts. How much the nation needs this electricity is not hidden from anyone. Our pure land should no longer be deprived of this blessing. The nation is not in a position to suffer from this loss any longer. Time dictates that by moving out of the circle of provincial interests the Muslim League should give proof of being Pakistan's party, and the Kala Bagh Dam should no longer be kept in limbo.

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### Editorial Alleges Police Torture

46000070a Karachi DAWN in English 24 Dec 87 p 7

[Text] Groups of protesters clashed with the police in a Karachi locality on Monday night after a 40-year-old welder of the area was reportedly tortured to death in custody. Some CIA men were said to have picked up the welder earlier in the day for interrogation. His body was later found abandoned within the JPMC premises. The post-mortem report said that death was the result of an injury in his abdomen caused with a blunt weapon. On the face of it, the impression that the welder was tortured is unavoidable. This also explains the angry reaction of the people over this shocking incident. On the same day, political leaders and activists, detained in Karachi's Central Prison, were on a token hunger strike, protesting against the alleged death by torture of a prisoner who died in the jail hospital. Both incidents underline a frightful aspect of the state of affairs in our prisons and what often happens in police lock-ups. It seems torture is being increasingly resorted to in the process of police interrogation. What is shocking is that deaths by torture of persons held in custody by the police or jail authorities have increased alarmingly in recent year. To what extent it is a reflection of the growing brutalisation of our society may be debatable but what cannot be treated lightly is the involvement of official agencies in such inhuman acts. Only two months ago, it was officially admitted in the Sind Assembly that "a few cases of maltreatment and torture" at the hands of the mail staff and the police had taken place, as a result of which some under trial prisoners and persons in custody had died or become disabled. What is disconcerting is that such horrific things are often talked about and some concern expressed but nothing is done to stop them.

At its meeting in Lahore earlier this month, the Human Rights Commission of Pakistan recommended that the judiciary should formulate regulations to bring an end to

inhuman treatment meted out to prisoners. Indeed, strong institutional measures are needed to check the diabolical cycle of torture and violence practised in the secluded cells of our prisons and police stations. If we fail to do this, our claim to being a civilised society and our commitment to the rule of law and basic human values would be open to question. Usually, torture is practised upon poor people who do not have the means to buy immunity from this kind of treatment and such cases are rarely brought to light in the media. In a sense, the entire society bears the guilt for such excesses on the part of our police and jail authorities. Torture in the name of law or under any other pretext is an aberration and an affront to civilised norms and human dignity. Yet the police resort to it routinely and without any qualms about it—which proves two things: that their methods of investigation are still very primitive and that there is no strong disapproval in higher official quarters of such methods. In many cases, cruel treatment of persons held in custody reflects the sadistic streaks our police functionaries and jail authorities have come to acquire as part of a long stabilised tradition. The irony is that exemplary punishment for criminals is readily prescribed, but no stringent action is contemplated or actually taken against officials guilty of such criminal and inhuman conduct. The fact of an adversary relationship between the police and the public is widely known.

The very sight of a policeman evokes in the mind of an ordinary citizen feelings of animosity and apprehension. This compounds the problems of maintenance of law and public peace. The tendency to take the law into their own hands by crowds angered by some real or perceived act of injustice or brutality is largely the result of a serious impairment of public confidence in the Police force as a guardian of law and public peace. The highhanded methods and corruption indulged in by the police have also reinforced an antagonistic public attitude. This equation can change only if the law enforcement agencies are completely overhauled and given a new orientation and our prison system is reformed according to modern concepts. Apart from looking into the two alleged cases of death by torture in Karachi, the higher authorities should seriously ponder the consequences of letting the present practices characterising police investigation and prison administration stay as they are.

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### Commentary Assails Income Disparities

46000052c Karachi DAWN in English 9 Dec 87 p V

[Article by Ayesha Mahmud: "Income Disparities Persist Despite High Growth Rate"]

[Text] While Pakistan's economy has grown at a significantly high level, averaging just above 6 per cent per annum during the last decade or so, the benefits of this high growth rate do not appear to have been distributed to an extent which could be described as equitable.

Pakistan's growth rate has been better than what some other developing countries could achieve. For developing countries, the average annual growth of GDP between 1973-80 was 5.40 per cent while for Pakistan it averaged 5.64 per cent. During 1982-86 developing countries' growth averaged 3.7 per cent, while Pakistan's growth was 6.8 per cent.

The high growth rate notwithstanding, the disparity in income distribution has been quite noticeable. Current estimate suggest that while 30 per cent or so of the population living in urban areas has access to almost 65 per cent of national wealth, the national resources available to the poor in rural areas, who constitute about 70 per cent of the population is in the region of 35 per cent.

#### Perspective plan

When the Perspective Plan for 1960-85 was being formulated, one of the various strategies considered for development at the time was to deliberately promote inequality in incomes so that the more affluent could generate savings to finance two-thirds or more of the total planned investment.

Dr Mahbubul Haq, the present Minister for Planning and Development and then Chief Economist of the Planning Commission, in fact, went on to the extent of concluding that the road to ultimate equality presupposes initial inequality.

While the 1960-85 Perspective Plan was not implemented largely on account of the separation of East Pakistan in 1971, income inequalities continued to widen.

#### Persisting disparities

In the last decade and a half, attempts have been made to redistribute benefits of growth but even now considerable disparity in incomes obtains not only at the inter-regional level between urban and rural population but also at the intra-regional level within the urban and rural population.

The Household Income and Expenditure Survey (HIES) 1984-85 shows that the average monthly income per household in urban areas was Rs. 2390.05 against Rs. 1537.75 in rural areas. This shows that the average monthly income per household in urban areas is 55.4 per cent higher than that of the rural areas.

The HIES 1979 had shown an average monthly income of Rs. 1345.91 for urban areas and Rs. 835.65 for rural areas. At that time, urban income per household was 61 per cent higher than that of rural areas. This shows that during the intervening years (1979 to 1985) there has been a modest improvement in rural incomes and disparities between urban and rural incomes have lessened.

The HIES 1979 shows that a large section of the population, that is, 23.7 per cent belonged to the lower income group (up to Rs. 600) having only 14.4 per cent of the total household income at their disposal. This lower income group population in rural areas constituted 30.1 per cent of the total rural population against 14.1 per cent in urban areas, indicating greater poverty in the rural sector.

Some improvements occurred and by 1984-85 the percentage of population in the lower income group (up to Rs. 1,000) was 21.78 per cent with 26.38 per cent of the rural population belonging to this group and only 10.92 per cent of the urban population. In 1979 in the higher income group category (Rs. 2501 and above) only a small section of the rural population, that is, 3.4 per cent, generating 10.2 per cent of the total rural household income fell, whereas 11.7 per cent of the urban population belonged to this higher income group and received 31.5 per cent of the total urban income.

This trend remained more or less the same, for in 1984-85, 7.09 per cent of the rural population belonging to the higher income group (Rs. 2501 and above) got 17.76 per cent of the total monthly rural income. In the urban areas, a large portion of the population 19.54 per cent belonged to this group and they received 39.74 per cent of the total monthly urban income.

#### Social sectors

In the past, some attention has been given to the social sectors, though it has not received the emphasis it needed. The Third Five-Year Plan, while taking note of the remarkable success of the Second Plan, addressed itself to the question of social justice and suggested various reforms.

However, due to some factors like the war in 1965 and the postponement of Aid to Pakistan Consortium, also in 1965, imparted urgency to the short-term task of maintaining the growth momentum of the economy. The longer-term perspective of social change was again neglected.

A major reason for the failure of the development process to spread benefits widely and speedily has been the inability to check population increase. The population growth has persisted as a result of the relative success achieved in bringing down the death rate to 11 per thousand, while the birth rate remains high at over 40 per thousand.

The Sixth Plan states that "the meagre effort so far made an improving social services have been lost in the avalanche of continuing increase in population. There would have been greater well-being if the development process had laid appropriate stress on considerations of social and regional balance."

The coverage of social amenities to the neglected areas and sections of population, particularly among the rural areas has emerged as the most significant task for future development.

The social sectors, education and health have shown little improvement over the years, and whatever little progress has been achieved has mainly been concentrated in the urban areas.

The situation in the sphere of education has really been disappointing with the overall literacy rate being 26.2 per cent—35.1 per cent for males and 16 per cent for females, much below that of many other developing countries. Levels of literacy are alarmingly low in rural areas (17.3 per cent) as against 47.1 per cent in urban areas and particularly for females (7.3 per cent) compared to 37.3 per cent in the urban areas.

At present only 49.3 per cent of children in the age group of 5-9 years are enrolled in primary schools. Enrollment is higher for boys (57 per cent) than for girls (34 per cent). Little progress seems to have been made in providing easy access to formal education to girls.

### Health

There are shortcomings in the health sector also, especially in the rural areas. They lack basic health coverage facilities. A major reason for the incidence of some diseases is the lack of clean drinking water and proper sewerage and sanitation facilities. Present estimates indicate that potable water supply is available to about 44 per cent of the entire population (84 per cent urban and 28 per cent rural), while drainage/sanitary facilities of acceptable standards are available to about 19 per cent (56 per cent urban and 5 per cent rural) population.

It is with a view of speeding the socio-economic development that the Prime Minister's Five-point Programme has been framed and is being implemented. It will no doubt take time to clear the back-log accumulated over the year but, at least, due recognition has been given to the problem and concerted efforts are being made to improve the living conditions of the people, especially those living in rural areas.

Rural development had remained basically a neglected field. The PM's Programme has given a major thrust to rural development by planning to provide facilities required in education, health, housing, rural roads, provision of potable drinking water, elementary sanitation, electrification of villages, employment opportunities, etc.

### PM's programme

The PM's socio-economic programme, with ambitious targets to be realised by 1990, has been allocated Rs. 117 billion it proposes to increase literacy rate to 50 per cent by 1990, electrify 90 per cent of the villages, improve and develop Kachchi abadis, creation of two million 7 marla plots for allotment to landless families, addition of 1180 basic health units and 151 rural health centres, creation of 700,000 new jobs including jobs for educated unemployed, are among other steps being taken.

In the field of education, besides the opening of new schools both in urban and rural areas, Nai Roshni schools and Iqra Pilot Projects have been launched to give primary education to those who are already 10 years old and have crossed the entry age for primary education. The Nai Roshni School project extends over 46 months from September 1986 to June 1990 and would cost Rs. 3,198.70 million. In two months only (March and April 1987) 9,126 Nai Roshni schools had been established having an enrollment of 163,158 students.

### Financial allocations

Of the total financial allocation of Rs. 117 billion for 1986-87 to 1989-90, rural education receives 23.43 per cent, village electrification 25.56 per cent, waterlogging and salinity 12.78 per cent national employment fund 6.82 per cent, rural water supply and sanitation 6.90 per cent, rural health 4.87 per cent, Kachchi abadis 2.98 per cent, and rural housing (7-Marla Scheme) 2.98 per cent.

The government is trying to develop the rural areas through other means also, with a view to increasing the income of rural population and gradually reducing inequalities. This will also check the mass exodus of people from rural areas to major cities which creates urban problems.

Efforts are also being made to bring about a break in the concentration of industries in and around large urban centres. Tax holidays and other fiscal concessions are being offered for the development of industries in backward regions. The two loans of \$30 and \$50 million that IDA has given to Pakistan are specifically meant for the development of small-scale industries in rural areas.

Improvement in living conditions of rural people is likely to become visible by the end of 1990, when the four years of the Prime Minister's Programme end.

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